

1 Andrew H. Wilson, SBN #063209
WILSON, RYAN & CAMPILONGO
2 235 Montgomery Street
Suite 450
3 San Francisco, California 94104
(415) 391-3900

4 Laurie J. Bartilson, SBN #139220
5 BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
6 Hollywood, CA 90028
(213) 953-3360

7 Attorneys for Plaintiff
8 CHURCH OF SCIENTOLOGY
INTERNATIONAL
9

RECEIVED

AUG 03 1994

HUB LAW OFFICES

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF LOS ANGELES

12 CHURCH OF SCIENTOLOGY
13 INTERNATIONAL, a California not-
for-profit religious corporation,

14
15 Plaintiff,

16
17 vs.

18
19 GERALD ARMSTRONG; DOES 1 through
20 25, inclusive,

21 Defendants.
22
23

) CASE NO. BC 052395
)
) SEPARATE STATEMENT OF
) UNDISPUTED FACTS IN SUPPORT
) OF PLAINTIFF'S MOTION FOR
) SUMMARY ADJUDICATION OF THE
) FOURTH, SIXTH AND ELEVENTH
) CAUSES OF ACTION OF
) PLAINTIFF'S SECOND AMENDED
) COMPLAINT
)
) DATE: August 31, 1994
) TIME: 8:30 a.m.
) DEPT: 30
)
) DISC CUT-OFF: Oct. 7, 1994
) MTN CUT-OFF: Oct. 21, 1994
) TRIAL DATE: Nov. 7, 1994
)
)
)

24 Church of Scientology International ("the Church") submits
25 this statement of undisputed material facts in support of the
26 Church's Motion for Summary Adjudication of the fourth, sixth and
27 eleventh causes of action of plaintiff's second amended
28 complaint.

1 I. The Church is entitled to summary adjudication of the Fourth
2 Cause of Action because there is no dispute that the parties
3 entered into a written agreement, that the Church performed
4 all of its obligations pursuant to the agreement, that
5 Armstrong breached the agreement by providing a declaration
6 which purports to discuss his experiences with Scientology
7 to anti-Church litigants Vicki and Richard Aznaran, and that
8 the Church is entitled to liquidated damages of \$50,000.00
9 for this breach.

10
11 UNDISPUTED FACT

12 1. Gerald Armstrong entered into a
13 confidential Mutual Release of All
14 Claims and Settlement Agreement
15 ("Agreement") with Church of
16 Scientology International ("the
17 Church") on December 6, 1986.

18
19
20
21
22
23
24
25
26 2. The Agreement was signed on behalf
27 of the Church by its President,
28 Reverend Heber Jentzsch.

EVIDENTIARY SUPPORT

1. Answer of Gerald
Armstrong and the Gerald
Armstrong Corporation to
Amended Complaint
(hereinafter "Answer"),
¶¶ 1 and 2; Armstrong
Depo. Vol III, Oct. 7,
1992, 301:2-12; 302:1-18,
Exhibit A and Exhibit 6
thereto; Mutual Release
of All Claims and
Settlement Agreement,
page 16, Exhibit B.

2. Mutual Release of All
Claims and Settlement
Agreement, page 16,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

3. The Agreement was signed by
Armstrong's attorney, Michael Flynn,
approving it as to form and content.

4. Armstrong signed and initialed the
Agreement in the presence of his
counsel, Michael Flynn, and witnesses
Michael Sutter and JoAnn Richardson.
The signing was recorded by video
camera.

5. Prior to signing the Agreement,
Armstrong discussed its terms with
his attorneys, Michael Flynn and
Michael Walton. He also discussed it
with a third attorney, Julia
Dragojevich.

6. At the time he signed the
Agreement, in the presence of his
counsel and live witnesses, Armstrong
had the following exchange with CSI
attorney, Larry Heller:

LARRY HELLER: O.K. Ah, Mr. Armstrong,
I'm going to ask you to sign three
documents, ah, a Mutual Release of

Exhibit B.

3. Mutual Release of All
Claims and Settlement
Agreement, page 16,
Exhibit B.

4. Armstrong Depo. Vol
I, 172:9-12, Exhibit A;
Declaration of Larry
Heller, ¶ 3, Exhibit C,
and Exhibits A and B
thereto.

5. Armstrong Depo. Vol.
I, June 24, 1992, 37:14-
20; 38:11-23; 69:18-
70:16, Exhibit A.

6. Declaration of Larry
Heller, ¶¶ 4 and 5
(Exhibit A thereto and
Exhibit B thereto, 1:19-
2:18), Exhibit C.

1 All Claims and Settlement Agreement,
2 and two separate affidavits. Prior
3 to doing so, however, I would like to
4 ask you some questions with regard to
5 those documents, um-hm, excuse me,
6 which I would like you to answer
7 freely and honestly, if you would.
8 Ah, first of all, have you had a
9 chance to, ah, completely and
10 comprehensively review and read these
11 documents?

12 ARMSTRONG: Yeah.

13 HELLER: O.K. Have you had a chance
14 to discuss these documents with your
15 attorney, Mr. Flynn?

16 ARMSTRONG: Yes.

17 HELLER: Has Mr. Flynn explained these
18 documents as well as the legal and
19 factual ramifications to you, legal
20 and practical ramifications to you to
21 your satisfaction?

22 ARMSTRONG: Uh, I think so, yes.

23 HELLER: O.k. Well, do you have any
24 question of that whatsoever?

25 ARMSTRONG: No, I have no current
26 questions about it.

27 HELLER: O.k. Very good. You are
28 going to sign these of your own free
will?

ARMSTRONG: Yes.

HELLER: O.k. You are not suffering
from any duress or coercion which is
compelling you to sign these
documents?

ARMSTRONG: No.

HELLER: All right. You are not
presently under the influence of
alcohol or any medication,
prescription or otherwise, which
would impede your ability to
comprehend the legal and factual
intent of these documents?

1 ARMSTRONG: No.

2

3 7. Armstrong received a portion of a
4 total sum paid to his attorney,
5 Michael Flynn, in settlement of all
6 claims of Mr. Flynn's clients.

7

8

9

10

11 8. Armstrong received approximately
12 \$800,000.00 from Michael Flynn as his
13 portion of the total settlement sum
14 paid by CSI to Mr. Flynn for Flynn's
15 settling clients.

16

17

18

19

20 9. Paragraph 7(D) of the Agreement
21 provides that: "Plaintiff agrees
22 never to create or publish or attempt
23 to publish, and/or assist another to
24 create for publication by means of
25 magazine, article, book or other
26 similar form, any writing or to
27 broadcast or to assist another to
28 create, write, film or video tape or

7. Verified Amended
Complaint (hereinafter
"Complaint"), ¶ 13;
Answer, ¶ 13; Mutual
Release of All Claims and
Settlement Agreement, ¶
3, Exhibit B.

8. Declaration of Graham
Berry, Exhibit D (and
Exhibit B thereto); Marin
Independent Journal,
November 11, 1992,
article entitled, "Is
Money The Root of Our
Problems?", Exhibit E.

9. Mutual Release of All
Claims and Settlement
Agreement, ¶ 7(D),
Exhibit B.

1 audio tape any show, program or
2 movie, or to grant interviews or
3 discuss with others, concerning their
4 experiences with the Church of
5 Scientology, or concerning their
6 personal or indirectly acquired
7 knowledge or information concerning
8 the Church of Scientology, L. Ron
9 Hubbard or any of the organizations,
10 individuals and entities listed in
11 Paragraph 1 above. Plaintiff further
12 agrees that he will maintain strict
13 confidentiality and silence with
14 respect to his experiences with the
15 Church of Scientology and any
16 knowledge or information he may have
17 concerning the Church of Scientology,
18 L. Ron Hubbard, or any of the
19 organizations, individuals and
20 entities listed in Paragraph 1 above.
21 Plaintiff expressly understands that
22 the non-disclosure provisions of this
23 subparagraph shall apply, inter alia,
24 but not be limited, to the contents
25 or substance of his complaint on file
26 in the action referred to in
27 Paragraph 1 hereinabove or any
28 documents as defined in Appendix "A"

1 pending the outcome of any litigation
2 over said breach. The amount of
3 liquidated damages herein is an
4 estimate of the damages that each
5 party would suffer in the event this
6 Agreement is breached. The
7 reasonableness of the amount of such
8 damages are hereto acknowledged by
9 Plaintiff.

10
11 10. At the time the Agreement was
12 signed, it was impossible to
13 calculate the likely cost to the
14 Church and the other settling
15 entities should Armstrong breach the
16 provisions of paragraph 7(D).

10. Mutual Release of
All Claims and Settlement
Agreement, ¶ 7(D),
Exhibit B; Declaration of
Larry Heller, Exhibit C,
and Exhibits A and B
thereto.

17
18
19 11. On May 16, 1994, the Second
20 District Court of Appeal affirmed the
21 trial court's order granting the
22 Church a preliminary injunction.

11. May 16, 1994 Court
of Appeal Opinion,
Exhibit F, passim; May
28, 1993 Order granting
preliminary injunction,
Exhibit G, passim.

23
24
25
26 12. In its May 16, 1994 Opinion, the
27 Second District Court of Appeal found
28 that "Armstrong did not deny the

12. May 16, 1994 Court
of Appeal Opinion,
Exhibit F, p. 5.

1 to this Agreement, including but not
2 limited to any tapes, films,
3 photographs, recastings, variations
4 or copies of any such materials which
5 concern or relate to the religion of
6 Scientology, L. Ron Hubbard, or any
7 of the organizations, individuals, or
8 entities listed in Paragraph 1 above.
9 The attorneys for Plaintiff, subject
10 to the ethical limitations
11 restraining them as promulgated by
12 the state or federal regulatory
13 associations or agencies, agree not
14 to disclose any of the terms and
15 conditions of the settlement
16 negotiations, amount of the
17 settlement, or statements made by
18 either party during the settlement
19 conferences. Plaintiff agrees that
20 if the terms of this paragraph are
21 breached by him, that CSI and the
22 other Releasees would be entitled to
23 liquidated damages in the amount of
24 \$50,000 for each such breach. All
25 monies received to induce or in
26 payment for a breach of this
27 Agreement, or any part thereof, shall
28 be held in a constructive trust

1 charged conduct but asserted the
2 settlement agreement was not
3 enforceable for various reasons,
4 primarily that it was against public
5 policy and that he signed it under
6 duress."

7
8 13. In its May 16, 1994 opinion, the
9 Second District Court of Appeal
10 summarily rejected Armstrong's
11 proffered affirmative defenses, which
12 included arguments, inter alia, that
13 the Agreement was contrary to public
14 policy; signed under duress; violated
15 various constitutional provisions;
16 restrained trade; lacked mutuality
17 and obstructed justice; and that CSI
18 had actually and/or constructively
19 defrauded Armstrong and had unclean
20 hands.

21
22 14. Armstrong argued to the Court
23 Appeal that some provisions of the
24 Agreement violated the First
25 Amendment. The Court of Appeal
26 rejected this argument, holding,
27 "Although Armstrong's 'Freedom of
28 Speech' is affected, it is clear that

13. May 16, 1994 Court
of Appeal Opinion,
Exhibit F, pp. 9-10;
Appellant's Opening
Brief, Exhibit H, pp. 24-
49.

14. May 16, 1994 Court
of Appeal Opinion,
Exhibit F, pp. 9 - 10;
Appellant's Opening
Brief, Exhibit H, pp. 20
- 25.

1 a party may voluntarily by contract
2 agree to limit his freedom of speech.
3 (See In re Steinberg (1983) 148
4 Cal.App.3d 14, 18-20 [filmmaker
5 agreed to prior restraint on
6 distribution of film]; ITT Telecom
7 Products Corp. v. Dooley (1989) 214
8 Cal.App.3d 307, 319 [Employee's
9 Agreement not to disclose
10 confidential information; 'it is
11 possible to waive even First
12 Amendment Free Speech rights by
13 contract']; Snepp v. United States
14 (1980) 444 U.S. 507, 509, fn 3 "[book
15 by CSI employee subject to
16 prepublication clearance by terms of
17 his employment contract]."

18
19 15. Vicki and Richard Aznaran are
20 former Church members and, in 1991,
21 were actively litigating against
22 several Churches of Scientology.
23 Vicki J. Aznaran, et al. v. Church of
24 Scientology of California, et al.,
25 USDC Central District of California
26 CV 88-1786 JMI(Ex) (hereinafter the
27 "Aznaran case").

15. Complaint, ¶ 18;
Answer, ¶ 18; Armstrong
Depo, Vol. II, July 22,
1992, 183:1-3, Exhibit A.
Complaint in the United
States District Court for
the Central District of
California, Case No. CV
88-1786 JMI(Ex), Vicki J.
Aznaran, et al. v. Church

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

16. In July, 1991, while attorney for the Aznarans, former Church attorney Joe Yanny "hired Gerry Armstrong as a paralegal to help [Yanny] on the Aznaran case. . ."

17. In August, 1991, Armstrong began helping Ford Greene as a paralegal for the Aznarans. Greene tried to convince the Aznarans to pay him a monthly stipend for Armstrong, so that Armstrong could work on the Aznaran case.

18. On August 26, 1991, Armstrong signed a declaration for filing in the Aznaran case containing statements regarding his alleged experiences with and knowledge of the Church and L. Ron Hubbard.

of Scientology of California, et al., Ex. I.

16. RTC et al. v. Yanny et al., Case No. BC 033035, August 6, 1991, RT 25:19-21, Exhibit J; Declaration of Joseph A. Yanny, July 31, 1991, 4:21-22, Exhibit K.

17. Declaration of Vicki Aznaran dated May 19, 1994, p. 5, ¶ 7, Exhibit L; Armstrong's Responses to CSI's Requests for Admission, July 21, 1994, Request No. 4.

18. Armstrong Depo. Vol III, 322:19-323:7, 324:5-10, 324:21-23, 325:1-10, 325:17-326:3, 327:8-10, and Exhibit 11 thereto, Exhibit A; Armstrong Declaration, August 26, 1991, Exhibit N;

Complaint, ¶¶ 37 and 59;

Answer, ¶¶ 37 and 59.

III. CSI is entitled to summary adjudication of the Sixth Cause of Action because there is no dispute that the parties entered into a written agreement, that CSI performed all of its obligations pursuant to the agreement, Armstrong breached the Agreement by providing interviews to the media, and that CSI is entitled to liquidated damages of \$100,000 for these breaches.

CSI incorporates herein Undisputed Facts and Evidentiary Support Nos. 1 to 18, supra.

UNDISPUTED FACT

EVIDENTIARY SUPPORT

19. In 1992, Armstrong had twelve contacts with media representatives, two of which were interviews with reporters from the Cable News Network ("CNN") and The American Lawyer magazine.

19. Armstrong Depo. Vol III, 341:24-342:16, Exhibit A.

20. On March 20, 1992, Armstrong and his counsel, Ford Greene, provided a videotaped interview to reporter Don Knapp of CNN.

20. Complaint, ¶ 44; Answer, ¶ 44; Armstrong Depo. Vol III, 341:24-344:14; 345:10-16, Exhibit A.

21. In the CNN interview, Armstrong discussed his knowledge of the Church

21. Complaint, ¶ 44; Answer, ¶ 44; Transcript

1 of Scientology and L. Ron Hubbard
2 which he had gained through his
3 experiences with the Church of
4 Scientology.

of CNN Broadcast, Exhibit
O; Armstrong Depo., Vol
III, 343:19-344:4,
Exhibit A.

6 22. Armstrong and his counsel, Ford
7 Greene, were interviewed by reporter
8 William Horne of The American Lawyer
9 magazine. Armstrong made statements
10 concerning his knowledge of and
11 experiences with the Church of
12 Scientology during that interview.

22. Armstrong Depo. Vol.
III, 341:24-342:14,
348:21-360:19, Exhibit A.

13 III. CSI is entitled to summary adjudication on the Eleventh
14 Cause of Action because there is no dispute that the parties
15 entered into a written agreement, that CSI performed all of
16 its obligations pursuant to the agreement, Armstrong
17 breached the Agreement by providing a declaration which
18 purports to discuss his experiences with the Church of
19 Scientology to anti-Church litigant David Mayo and his
20 counsel, and that CSI is entitled to liquidated damages of
21 \$50,000 for this breach.

23 CSI incorporates herein Undisputed Facts and Evidentiary
24 Support Nos. 1 to 18, supra.

25 UNDISPUTED FACT

EVIDENTIARY SUPPORT

27 23. On May 27, 1992, Armstrong met
28 with attorneys Jerold Fagelbaum and

23. Complaint, ¶ 68;
Answer, ¶ 68; Armstrong

1 Gary Bright, attorneys for David Mayo
2 and the Church of the New
3 Civilization in the consolidated
4 cases of Religious Technology Center
5 et al. v. Robin Scott et al., United
6 States District Court for the Central
7 District of California, Case No.
8 CV 85-711 JMI(Bx), and Religious
9 Technology Center et al. v. Larry
10 Wollersheim et al., United States
11 District Court for the Central
12 District of California, Case No.
13 CV 85-7197 JMI(Bx). At the time,
14 Fagelbaum and Bright were litigating
15 a cross-claim in that case against,
16 inter alia, CSI.

Depo. Vol II, 214:20-
216:24, Exhibit A.

1 Armstrong's alleged experiences with
2 the Church.

Exhibit 8 thereto,
Exhibit A; Declaration of
Gerald Armstrong, May 27,
1992, Exhibit P.

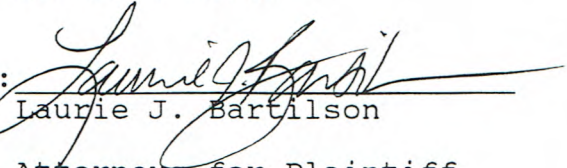
6 Dated: August 2, 1994

Respectfully submitted,

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

BOWLES & MOXON

10 By:


Laurie J. Bartilson

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

IN AND FOR THE SUPERIOR COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

MARY HILLABRAND INC.

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA

PHONE 415 / 788-5350 FAX 415

CERTIFIED
COPY

1 Q. And do you remember the first time that you
2 learned that there might be a possibility of settling
3 that litigation, and by that litigation, I mean the
4 litigation that was eventually settled with the
5 settlement agreement?

6 A. Perhaps 1983.

7 Q. And the settlement agreement was signed in
8 late '86?

9 A. Right.

10 Q. So for some period of some approximately
11 three years you believe there might be a possibility of
12 settlement?

13 A. Right.

14 Q. Did you engage in any settlement
15 discussions between the time you first learned of it in
16 1983 and the time you signed the settlement agreement in
17 1986?

18 A. What do you mean by settlement discussions?

19 Q. Any discussions with anybody concerning
20 settlement of the litigation?

21 MR. GREENE: To the extent that your
22 response, Mr. Armstrong, to this will require you to
23 disclose any communications that you had with --

24 MR. WILSON: It's a yes or no question.

25 MR. GREENE: -- attorneys, I'm just going

1 to catch it ahead of the game, my instruction to you is
2 not to answer on the basis of the attorney-client
3 privilege and possibly the attorney work product
4 privilege.

5 MR. WILSON: Well, my question was a yes or
6 no question.

7 MR. GREENE: That's fine, but just keep
8 that in mind, please.

9 THE WITNESS: What's your question?

10 MR. WILSON: Why don't you read it back.

11 MR. GREENE: The question is did you have
12 settlement discussions with anybody?

13 THE WITNESS: Yes.

14 MR. WILSON: Q. And without disclosing the
15 substance of those, well, let me ask you just this, I
16 take it some of those discussions were with your
17 attorney?

18 A. Right.

19 Q. And that attorney was Michael Flynn; right?

20 A. Right.

21 Q. Did you have any discussions with any other
22 attorney representing you besides Michael Flynn?

23 A. Julia Dragojevich.

24 Q. Any other attorney, can you give me the
25 names of any other attorneys you discussed it with

1 those settlement agreements; is that correct?

2 A. I don't have a recollection right now of
3 seeing any.

4 Q. Do you have a recollection right now of
5 seeing any of them at any time except for the Franks
6 one?

7 MR. GREENE: Same instruction for the same
8 reasons.

9 THE WITNESS: Yes, I don't believe so.

10 MR. WILSON: Q. Prior to your leaving
11 Boston for Los Angeles, had you discussed the terms of
12 your settlement with Mr. Flynn?

13 MR. GREENE: Attorney-client privilege.
14 Don't answer that.

15 MR. WILSON: Q. It wasn't -- all right.
16 Never mind.

17 MR. GREENE: Terms, substance.

18 MR. WILSON: Q. Except for discussions
19 which you may or may not have had with Mr. Flynn, did
20 you, prior to the settlement agreement being signed,
21 discuss those terms with anyone else?

22 A. Another lawyer who represented me.

23 Q. And that was Julia, whatever her last name
24 was that you gave us?

25 A. No.

1 Q. Who was that?

2 A. Michael Walton.

3 Q. Are there any other lawyers that you
4 discussed the settlement agreement with?

5 A. No.

6 Q. Michael Walton, Julia Dragojevich and Mr.
7 Flynn; is that accurate?

8 A. What is accurate?

9 Q. That you had discussions about settlement
10 with?

11 A. I don't believe that I had a settlement or
12 a discussion about the terms of the settlement agreement
13 with Julia Dragojevich. No, I did at a time, I did.

14 Q. And this was before the settlement
15 agreement was signed?

16 A. With Julia, I believe it was after.

17 Q. Now, were you aware of the general terms of
18 the settlement prior to the time you flew to Los
19 Angeles?

20 A. No.

21 Q. And I take it, then, that you just became
22 aware of those terms when you, in fact, got to Los
23 Angeles?

24 A. I had not seen one word until I got to L.A.

25 Q. I understand that, but were you aware of

1 MR. WILSON: Q. I assume you said hello?

2 A. Yeah. And I believe that that was, really
3 was just that, that it was a matter of greeting. There
4 was no negotiations or discussion at that point that I
5 recall at all.

6 Q. Okay.

7 A. I mean, I believe the documents were all
8 done.

9 Q. And you do recall the videotape being
10 turned on and your signing the documents and their being
11 read to you and explained and so on?

12 A. Right.

13 Q. And you referred to signing the false
14 affidavit. Can you tell me what affidavit you signed
15 that was false?

16 A. There was an affidavit which was later used
17 by the organization in a case called, I think it's
18 Church of Spiritual Technology VUS or something. And it
19 had to do with the signers acknowledging that the
20 organization had discontinued it's practices of culling
21 PC folders, and that it was, had reverted back to the,
22 on policy, legal ways as stated by the founder L. Ron
23 Hubbard. And among other things --

24 Q. Go ahead.

25 A. And I signed a document, and I have seen

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this JUL 09 1992 day of , 19



CERTIFIED SHORTHAND REPORTER

STATE OF CALIFORNIA

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

CHURCH OF SCIENTOLOGY INTERNATIONAL,
a California not-for-profit religious
corporation,

**CERTIFIED
COPY**

Plaintiff,

vs.

No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25,
inclusive,

Defendants.

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, July 22, 1992

Volume II, Pages 179 - 293

REPORTED BY: KATHERINE NG, CSR NO. 6350

MARY HILLABRAND INC.

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 94102

PHONE 415 / 788-3350 FAX 415 / 788-0657

1 Q. Just so I understand, because I'm not as
2 familiar as you are, can you tell me what the Azneran
3 case is?

4 A. It's the case of Richard and Vicky Azneran
5 versus a number of Scientology entities filed in U.S.
6 District Court in L.A.

7 Q. What is your understanding of what Richard and
8 Vicky Azneran are alleging in that case?

9 MR. GREENE: At this point, since Gerry has
10 worked as a paralegal on this case in my office, I would
11 request, Andy, that if you would phrase the question in
12 terms of at the time that he signed this declaration,
13 which was prior to the point when he worked for me;
14 otherwise, it could constitute some kind of waiver. That
15 way you could probably get what you want.

16 (Telephonic interruption.)

17 THE WITNESS: Okay. So my understanding
18 certainly at that point was that the Aznerans who had
19 been involved quite high level in the organization had
20 sued the organization for the wasted years and the abuse
21 of the organization. So it was those sorts of claims.

22 MR. WILSON: Q. Did you get that understanding
23 from talking to the Aznerans?

24 A. I believe I got that understanding by that time
25 from a number of sources.

1 back and forth at that time.

2 Q. Okay. What do you intend to do to prepare
3 yourself for your trial testimony, if anything?

4 A. I will stay in touch with the lawyers. I will
5 review my deposition transcripts. That's principally it.

6 Q. By staying in touch with the lawyers, do you
7 mean to discuss what you're going to testify to?

8 A. I think if they have any interest, but I think
9 I have already gone through two days of depositions, so I
10 doubt that they're going to ask me that. But stay in
11 touch, when do they want me, and how they want to
12 schedule it, because it's a big case.

13 Q. Have you discussed with any of the lawyers any
14 of the other testimony that is going to be given, as far
15 as you understand it?

16 A. Other testimony of other people?

17 Q. Right.

18 A. I don't, I don't think I have specifically
19 discussed that.

20 Q. Do you know a man named Jerry Fagelbaum?

21 A. Yes.

22 Q. Who is he?

23 A. He's a lawyer in Los Angeles.

24 Q. How did you meet Mr. Fagelbaum?

25 A. I met him in his office in Los Angeles on May

1 27, I think.

2 Q. Of this year or?

3 A. Right, this year.

4 Q. And what was the purpose of the meeting that
5 you had with Mr. Fagelbaum?

6 A. He wanted me to authenticate an earlier
7 declaration which I had written.

8 Q. Did you know he wanted you to authenticate this
9 declaration?

10 A. I was in the courtroom that day, and I was
11 handed a note from I believe Ms. Cervantes, but I'm not
12 quite sure. But in any case, I got a little message pad
13 note indicating that he had called for me, so I returned
14 the call.

15 Q. And what courtroom were you in that day?

16 A. I think it was Department 88.

17 Q. That was Judge Sohigian's courtroom?

18 A. Right.

19 Q. And his clerk gave you a note, a message from
20 Mr. Fagelbaum?

21 A. Well, I hesitate to get his clerk in trouble,
22 but, yes.

23 Q. As far as you know?

24 A. Right.

25 Q. As far as you know, Mr. Fagelbaum had left a

1 message for you?

2 A. Right.

3 Q. Did you know who he was?

4 A. I had spoken to him previously, so I knew
5 something about him.

6 Q. When did you speak to him previously?

7 A. Maybe a year before. I'm not quite sure.

8 Q. And what was the subject of that previous
9 conversation?

10 A. I don't recall.

11 Q. Did it have anything to do with the Church of
12 Scientology?

13 A. It may have.

14 Q. Did you know that Mr. Fagelbaum was a lawyer
15 that was litigating a case against something called the
16 Religious Technology Center?

17 A. Right.

18 Q. Tell me what your understanding of that is?

19 A. It's an arm of the organization.

20 Q. That wasn't something that you learned from Mr.
21 Fagelbaum; is that right?

22 A. No.

23 Q. You knew that at the time?

24 A. Right.

25 Q. Do you know who Mr. Fagelbaum represents?

1 perhaps as an affidavit and perhaps with different
2 headings with captions, four different cases, but at
3 least the first one, the first original went to Michael
4 Flynn.

5 Q. And this was for your litigation against the
6 Church of Scientology is that right?

7 A. Well, I guess, yes.

8 Q. Okay.

9 MR. GREENE: Mr. Armstrong, don't guess.

10 THE WITNESS: Okay.

11 MR. GREENE: If you don't know, say that you
12 don't know. Give your best estimate, but guessing is not
13 a good idea.

14 THE WITNESS: It was to assist, it was to help
15 in my battle with Scientology.

16 (Plaintiff's Exhibit 8 was marked.)

17 MR. WILSON: Q. Exhibit 8 is a pleading that
18 is entitled too long for me to read, filed in a case in
19 Central District Court of U.S. District Court,
20 California.

21 Is that the declaration that you signed in Mr.
22 Fagelbaum's office in the 27th of May?

23 A. It appears to be, yes.

24 Q. Is paragraph 4 where it refers to Exhibit C,
25 which unfortunately we don't have here, is that the

1 declaration that you have been testifying to?

2 A. Ask the question again.

3 MR. GREENE: Mr. Armstrong, with respect to any
4 questions that are propounded to you about the
5 authenticity of documents which are not before you, I
6 instruct you not to answer.

7 MR. WILSON: On what basis?

8 MR. GREENE: No foundation.

9 MR. WILSON: All right.

10 Q. Let's do it this way then. You just testified
11 that you authenticated a declaration for Mr. Fagelbaum;
12 is that right?

13 A. Right.

14 Q. And paragraph 4 says "Attached hereto as
15 Exhibit 'C' is a true and correct copy of a Supplemental
16 Affidavit signed by myself in that litigation known as
17 Tonja Burden v. Church of Scientology California, and it
18 goes on.

19 A. Okay.

20 Q. We don't have that attached here. But as far
21 as you know, when you signed the original of this
22 declaration, was there an Exhibit C attached to it?

23 A. I saw Exhibit C at that time, yes.

24 Q. And did you recognize Exhibit C?

25 A. Yes.

1 Q. What was it?

2 A. It was this, that document related to MCCS tape
3 transcript.

4 Q. It was a declaration that you had previously
5 given?

6 A. Well, it says here an affidavit, and I believe
7 that it was an affidavit.

8 Just to go back so that we both, my
9 recollection is this particular document was prepared and
10 filed in a number of cases identical, except for its
11 caption.

12 Q. And by that particular document, you're
13 referring to the affidavit that is described in paragraph
14 4; is that right?

15 A. Right.

16 Q. Can you tell me in general what that affidavit
17 says?

18 A. My recollection is that it contains a partial
19 transcript of MCCS tapes.

20 Q. What are MCCS tapes?

21 A. They were tape recordings made concerning a, or
22 mission called Mission Corporate Category Sort-Out. And
23 they, in 1982, became part of what were known as the
24 Armstrong documents, and then they became the subject of
25 what is known as the Zolin litigation which involved the

1 U.S. Government. And they ultimately were found, I
2 believe by the Ninth Circuit, to contain evidence of
3 fraud which made them an exception to the attorney-client
4 privilege, and they were released to the IRS.

5 Q. Now, you say that this declaration was filed in
6 a number of different cases?

7 A. Right.

8 Q. One of them being the Burden case; right?

9 A. Right.

10 Q. Can you tell me the other cases, as far as you
11 know, that this declaration was filed in?

12 A. I believe Van Schaick, McLean. I was told
13 Toronto. Those were ones that I have some certainty
14 about.

15 Q. Now, when was your affidavit filed in the
16 Burden case, do you know?

17 A. I was not there specifically, but I believe
18 1982.

19 Q. Okay. And the Van Schaick case?

20 A. I believe also 1982.

21 Q. And the McLean case?

22 A. I believe also 1982.

23 Q. And Toronto?

24 A. I believe also 1982.

25 Q. And as far as you know, was it filed in any

1 other case between 1982 and 1992 when you signed this
2 declaration which has been marked as Exhibit 8?

3 A. I'm not certain. I believe, not with
4 certainty, but I believe it was filed in Corydon.

5 Q. When, as far as you know?

6 A. Mid to late '80s.

7 A. I think also, I'm not sure again, the form or
8 the caption that it had, but in government cases I think
9 involving the IRS.

10 Q. When this declaration was first prepared, did
11 you draft it or did somebody else draft it?

12 A. I believe that I transcribed part of the tape,
13 and the partial transcription was sent to Michael Flynn
14 from which a draft of the affidavit was sent back to me.
15 And my recollection is that I edited the draft and
16 prepared the final copy. But it may be that my edited
17 draft then went back to Flynn and then was redone. I say
18 that because I would not have put the caption on it which
19 would have identified it as going to the Burden case, but
20 rather I prepared the substance of it, and then that was
21 put into the declaration or affidavit which had the
22 caption on it.

23 Q. And this all occurred in approximately 1982?

24 A. I believe so. But I have authenticated the
25 same affidavit a number of times in other litigation

1 afterwards from the same document, either by
2 authentication by another document or its new preparation
3 and then new signature.

4 In fact, it just reminded me, I have a
5 recollection of it also being used in the Wollersheim
6 case or being authenticated for the Wollersheim lawyers.

7 Q. So there would be two ways that you would have
8 either authenticated it in a form similar to Exhibit 8 or
9 re-executed it with a different caption; is that
10 accurate?

11 A. That's my recollection, yes.

12 Q. You would have done one of those two things in
13 the cases that you testified to earlier; is that correct?

14 A. That's my recollection. As I say, it was done
15 a number of times through the period that I was involved
16 in the litigation.

17 Q. Now, prior to the time that you did it in June
18 of '92, when was the next most recent time? Do you
19 remember either authenticating it with an authenticating
20 declaration or re-executing it?

21 A. Sometime during the time that I worked in the
22 Flynn office.

23 Q. And that would have been when?

24 A. '85, '86.

25 Q. There was a period of time of somewhere between

1 five and six years when you did not either
2 re-authenticate or re-execute it; is that accurate?

3 A. Right.

4 Q. Have you ever known Gary Bright?

5 A. Yes.

6 Q. Who is Gary Bright?

7 A. He is another lawyer who represents David Mayo.

8 Q. In the RTC versus Scott case?

9 A. I believe so.

10 Q. And when did you meet Mr. Bright?

11 A. I think that the first time I met him was May

12 27.

13 Q. Of '92?

14 A. Right.

15 Q. Would that be in connection with executing this
16 affidavit that we just discussed?

17 A. Yes.

18 Q. Have you met him any other times?

19 A. I have no recollection of meeting him.

20 Q. When you met with him, was Mr. Fagelbaum there?

21 A. Yes.

22 Q. How long did the meeting take?

23 A. A few minutes.

24 Q. Can you tell me what was discussed? Did they
25 tell you anything about the case?

1 A. I asked them because I had heard about it, and
2 I had not seen a copy of it, if I could have a copy or if
3 they had a copy of the Kolts ruling in that case, and
4 they did at that time give me the Kolts ruling.

5 They had another document, and I don't recall
6 what it is right now, but I believe Exhibit B, which they
7 asked me to authenticate. But I, my recollection is that
8 I said I was not able to authenticate it.

9 Q. Do you remember what it was that you were asked
10 to authenticate?

11 A. No.

12 Q. Okay.

13 A. And then I looked over the, this document and,
14 and the two documents which I was asked to authenticate
15 and I signed this document. And then we exchanged
16 good-bys and I left.

17 Q. And no other subjects were discussed at the
18 meeting?

19 A. I, no, I don't think so.

20 Q. Have you spoken to Mr. Fagelbaum since that
21 meeting?

22 A. No.

23 Q. Have you spoken to Mr. Bright since that
24 meeting?

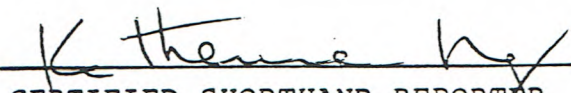
25 A. No.

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this JUL 28 1992 day of , 19


CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

MARY HILLABRAND INC.

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 94102

PHONE 415 / 788-5350 FAX 415 / 788-0657

1 Jerold Fagelbaum, Esq.
2 LAW OFFICES OF JEROLD FAGELBAUM
3 2029 Century Park East, Suite 3270
4 Los Angeles, California 90067
5 Telephone: (310) 286-7684

6 Attorneys for Defendants and Counter-Claimants
7 DAVID MAYO, AND THE CHURCH OF NEW CIVILIZATION

8 Gary M. Bright, Esq.
9 BRIGHT & POWELL
10 5464 Carpinteria Avenue, Suite E
11 Carpinteria, California 93013
12 Telephone: (805) 684-8480



13 Attorneys for Defendants and Counter-Claimants
14 DAVID MAYO, CHURCH OF NEW CIVILIZATION, and Defendants
15 JOHN NELSON, HARVEY HABER, VIVIEN ZEGEL AND DEDE REISDORF

16 UNITED STATES DISTRICT COURT
17 CENTRAL DISTRICT OF CALIFORNIA

18 RELIGIOUS TECHNOLOGY CENTER, a)
19 California corporation, et al.,)
20 Plaintiffs,)

21 vs.)

22 ROBIN SCOTT, an individual,)
23 et al.)
24 Defendants.)

25 RELIGIOUS TECHNOLOGY CENTER, a)
26 California corporation, et al.,)
27 Plaintiffs,)

28 vs.)

29 LARRY WOLLERSHEIM, an)
30 individual, et al.,)
31 Defendants.)

32 AND RELATED COUNTER-CLAIMS)

CV 85-711 JMI (Bx)
CV 85-7197 JMI (Bx)

SUPPORTING DECLARATION OF
GERRY ARMSTRONG TO
DEFENDANTS' AND COUNTER-
CLAIMANTS' OPPOSITION TO
PLAINTIFFS' AND COUNTER-
DEFENDANTS' MOTION FOR
PROTECTIVE ORDER RE FIFTH
REQUEST FOR PRODUCTION OF
DOCUMENTS OR THINGS AND FOR
SANCTIONS

DATE: June 10, 1992
TIME: 5:00 P.M.
CTRM: Hon. James G. Kolts
Special Master,
Pasadena, Hilton

DECLARATION OF GERRY ARMSTRONG

I, Gerry Armstrong, declare:

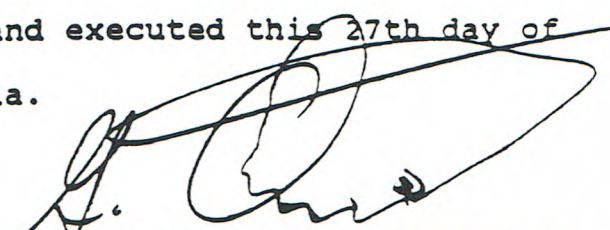
1. I am a party to that litigation known as Church of Scientology of California v. Gerald Armstrong, L.A.S.C. Case No. 420153 (hereinafter the "Armstrong" litigation).

2. I am familiar with the pleadings and records in the Armstrong litigation and submit this Declaration based upon my own personal knowledge of the matters contained herein, and if called as a witness, could and would competently testify thereto.

3. Exhibit "A" hereto are true and correct copies of Reporter's Transcripts of Proceedings held in the Armstrong litigation before the Honorable Paul G. Breckenridge, Jr.

4. Attached hereto as Exhibit "C" is a true and correct copy of a Supplemental Affidavit filed by myself in that litigation known as Tonia Burden v. Church of Scientology California, United States District Court, Middle District of Florida, Case No. 80-501-CIV-T-K.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration is made and executed this 27th day of May, 1992 at Los Angeles, California.



GERRY ARMSTRONG

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

--oOo--

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1-25,
inclusive,

Defendants.

**CERTIFIED
COPY**

No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

Volume III

October 7, 1992

REPORTED BY: LARRY BOSTOW, CSR# 5941

MARY HILLABRAND INC.

CERTIFIED SHORTHAND REPORTERS

520 SUTTER STREET / off UNION SQUARE SAN FRANCISCO, CA 94102

PHONE 415 / 788-5350 FAX 415 / 788-0657

1 A. Fair.

2 Q. All right. Mr. Armstrong, I'm going to hand
3 you a document that has already been marked. It's a copy
4 of a document previously marked as Exhibit 6 to your
5 deposition. Take a look at it, please.

6 A. Yes.

7 Q. Now, Mr. Armstrong, that's the document that
8 is the agreement which is the subject of the dispute in
9 this litigation; is that correct?

10 A. Yes.

11 Q. And this is an agreement which you signed on
12 December 6th, 1986; is that correct?

13 MR. GREENE: That's asked and answered.

14 Don't answer the question.

15 Go ahead.

16 MS. BARTILSON: It hasn't been answered as
17 to this document.

18 MR. GREENE: Yeah, it has. Wilson went
19 through all this. That's the agreement. That's
20 Armstrong's signature.

21 Let's proceed.

22 Ask him something new.

23 Don't answer the question.

24 MS. BARTILSON: Actually, he hasn't, so I'm
25 going to make the record.

1 Q. Mr. Armstrong, if you look at page 3,
2 please, of the agreement: The signature that appears
3 partway down the page is your signature; is that correct?

4 A. Yes.

5 Q. And if you look at page 16 of the agreement,
6 the first signature on that page, appearing about halfway
7 down, is your signature; is that correct?

8 A. Yes.

9 Q. Looking through the agreement: Those are
10 your initials that appear on each page of the agreement;
11 is that correct?

12 A. Yes.

13 Q. On the bottom right-hand corner?

14 A. Yes.

15 Q. And you made those initials yourself?

16 A. Yes.

17 Q. On December 6th, 1986?

18 A. Yes.

19 — Q. If you would look, please, at paragraph 3 on
20 page 2 of the agreement.

21 A. Yes.

22 Q. You see in that paragraph, it says,
23 "Plaintiff has received payment of a certain monetary sum
24 which is a portion of a total sum of money paid to his
25 attorney, Michael J. Flynn."

1 Q. And all of the documents were returned,
2 then, at some later time even if they weren't returned
3 right then?

4 A. Right.

5 And just so we also understand about the use
6 of the word "returned," because they were not returned to
7 CSI because they never came from CSI.

8 Nevertheless, as long as we understand that,
9 as far as acceptability by your organization, CSI was the
10 designated recipient, and it was our understanding that
11 when we were delivering documents to whomever, that that
12 was honoring this clause of this affidavit.

13 Q. I understand.

14 Let's get the originals back to the court
15 reporter.

16 Then let's mark 11.

17 (Whereupon Plaintiff's
18 Exhibit 11 was marked.)

19 MS. BARTILSON: Q. So the court reporter
20 has handed you an 11-page document with an Aznaran case
21 caption, titled "Declaration of Gerald Armstrong in
22 Opposition of Motion to Exclude Expert Testimony," and
23 marked as Exhibit 11, and I would like you to take a look
24 at it, please.

25 A. Did you ever read "Fear"?

1 Q. No.

2 Mr. Armstrong, have you had an opportunity
3 to review the two-page declaration that is the beginning
4 of Exhibit 11?

5 A. Yes.

6 Q. Is that a declaration that you drafted, sir?

7 A. Yes.

8 Q. Did you also --

9 A. Hold on a minute.

10 MR. GREENE: Hold it.

11 Any responses having to do with any
12 communications that occurred in my office, between you
13 and me or otherwise, I'm instructing you not to answer.
14 You can authenticate this document, but as to its
15 preparation, do not answer the question.

16 MS. BARTILSON: I can't ask him if he
17 drafted this declaration?

18 MR. GREENE: You can ask him. I'm going to
19 instruct him not to answer.

20 MS. BARTILSON: Let me make my record real
21 quick here, then.

22 MR. GREENE: I'll just do it for you.

23 I will allow the witness to authenticate
24 this document, which he's already done.

25 MS. BARTILSON: Actually, he hasn't.

1 MR. GREENE: If he hasn't, fine, have him
2 authenticate it. Any questions about the document's
3 preparation, I'm going to instruct him not to answer.

4 MS. BARTILSON: Okay.

5 Q. Mr. Armstrong, is that your signature on
6 page 2 of the document?

7 A. Yes.

8 Q. And did you sign it on the 26th of August
9 1991, in San Anselmo, under penalty of perjury?

10 A. Yes.

11 Q. Looking at Exhibit 1 attached to the
12 declaration, do you recall how it came into your
13 possession?

14 MR. GREENE: Again, Mr. Armstrong, if, in
15 your response to the question, you would disclose any
16 communications or transactions which transpired between
17 you and me or within the activities in my office, I would
18 instruct you not to answer the question. If, on the
19 other hand, your response would not include a disclosure
20 of such information, you may.

21 THE WITNESS: Then I would not answer.

22 MS. BARTILSON: Q. Same question as to
23 Exhibit 2.

24 MR. GREENE: And same admonition and
25 instructions.

1 THE WITNESS: This one, I believe, I can
2 answer differently.

3 MS. BARTILSON: Q. And what's your answer?

4 A. This document was in a Scientology book, and
5 it -- I had a copy made, and it was originally filed in
6 the Armstrong I case as an exhibit to a document. Then
7 it was filed in the Court of Appeal as an exhibit, and it
8 is my belief that the number "382" indicates that it
9 comes from the document which was filed in the Court of
10 Appeal.

11 MR. GREENE: Just so the record is clear:
12 We're making a reference to a document entitled
13 "Technical Bulletin of 22 July 1956" from the Hubbard
14 Communications Office.

15 MS. BARTILSON: Yes. Which was marked as
16 Exhibit 2. That's how we identified it.

17 Q. Mr. Armstrong, you say this was attached as
18 an exhibit to something that was filed with the Court of
19 Appeal.

20 Do you recall who filed it with the Court of
21 Appeal?

22 A. I did.

23 Q. And when you filed it with the Court of
24 Appeal, it was something that you yourself had copied
25 from a book, is that correct? Or that you had copied

1 from an exhibit that was part of the Armstrong I trial
2 record?

3 A. That's correct, the latter.

4 Q. Okay. I just want to make sure I have the
5 transition correct.

6 A. It had been an exhibit in one of the
7 depositions taken in the Corydon case, and it was
8 provided to me at that time.

9 Q. And this was your deposition in the Corydon
10 case?

11 A. Correct.

12 Q. And who gave it to you at that time?

13 A. I do not recall if it came into my
14 possession at exactly that time or if it later came into
15 my possession as an exhibit to the deposition transcript.
16 But in any case, it ended up with that set of materials.

17 Q. So you obtained a copy of the deposition
18 transcript from the Corydon case?

19 A. Correct.

20 Q. And this was an exhibit?

21 A. Correct.

22 Q. I see.

23 Prior to that, had you had possession of
24 this document?

25 A. No. Although -- Let me correct that.

1 In that it is a public document and is
2 published by your organization, it was available in its
3 raw, original form, but the photocopy of that document, I
4 only obtained at that time.

5 Q. But did you have the other form of the
6 document within the book, or whatever, prior to that?

7 A. No. I didn't have a book.

8 Q. Mr. Armstrong, do you know if Exhibit 11 was
9 filed in the Aznaran case?

10 A. It is my belief that it was.

11 Q. Did you participate in any activity to
12 ensure that it would be filed in that case?

13 MR. GREENE: Again, any conduct of yours,
14 Mr. Armstrong, which occurred during the course, scope,
15 of your employment by me, I am instructing you not to
16 disclose. If you can answer the question without
17 disclosing any of the procedures which took place in my
18 office, then that's fine.

19 THE WITNESS: Then I think you should read
20 the question.

21 MS. BARTILSON: Q. Did you take any steps
22 to ensure that this declaration would be filed in the
23 Aznaran case?

24 MR. GREENE: Same admonition.

25 MS. BARTILSON: Q. It's a "Yes"-or-"No"

1 A. Do I think?

2 Q. Yes.

3 A. They may.

4 Q. Is there anyone else who may have knowledge
5 of to whom it was sent?

6 A. Cable News Network and the Chronicle.

7 Q. Obviously, the recipient, but anyone else
8 engaged in the sending or who would know about the
9 sending besides the recipients?

10 A. I don't believe so.

11 Q. What about the San Francisco Examiner? Do
12 you know if it was sent to the San Francisco Examiner?

13 A. I don't know.

14 Q. Do you know if it was sent to the Marin
15 County Independent Journal?

16 A. What was your question?

17 Q. Do you know if it was sent to the Marin
18 County Independent Journal?

19 A. I don't know.

20 Q. At the time that this press release was sent
21 out, Mr. Greene was your attorney in this case; is that
22 correct?

23 A. Yes.

24 Q. Earlier this year, Mr. Armstrong, you gave
25 interviews to media representatives, did you not?

1 A. Yes.

2 Q. Do you recall approximately how many such
3 interviews you've given in 1992?

4 A. I believe there has only been one interview
5 which I would consider an interview, and that was with
6 CNN.

7 Q. And were there other times when you spoke to
8 reporters, or other media representatives, that you did
9 not consider an interview?

10 A. Yes.

11 Q. Approximately how many of those?

12 A. I must retract that.

13 I consider that Bill Horne of the American
14 Lawyer interviewed me.

15 And then additional contacts of any kind
16 with the media, perhaps ten.

17 Q. All right. Let's look first at the
18 interview with CNN.

19 Do you recall the date of that interview?

20 A. My recollection is March 20th, 1992.

21 Q. Do you recall if it was before or after the
22 hearing held before Judge Dufficy in Marin County
23 Superior Court on the motion for preliminary injunction?

24 A. Yes.

25 Q. Which was it, before or after?

- 1 A. After.
- 2 Q. The same day or the next day?
- 3 A. Same day.
- 4 Q. And where did this interview take place?
- 5 A. In Mr. Greene's office.
- 6 Q. Do you recall the name of the reporter?
- 7 A. Yes.
- 8 Q. And who was that?
- 9 A. Don Knapp, N-a-p-p (sic).
- 10 MR. GREENE: K-n --
- 11 THE WITNESS: K-n-a-p-p.
- 12 Thank you.
- 13 MS. BARTILSON: Q. And for approximately
- 14 how long were you interviewed by Mr. Knapp?
- 15 A. Perhaps five minutes. Less.
- 16 Q. And was your lawyer also interviewed by Mr.
- 17 Knapp?
- 18 A. Yes.
- 19 Q. Do you recall any of the substance of what
- 20 you communicated to Mr. Knapp during the interview?
- 21 A. Yes.
- 22 Q. What was that?
- 23 A. It related to Scientology's practice of fair
- 24 game and my knowledge of organizational and Hubbardian
- 25 fraud.

1 Q. Knowledge which you had gained because of
2 your years of experience with the organization, as you
3 term it?

4 A. Correct.

5 Q. Was the interview videotaped?

6 A. Yes.

7 Q. Was the entirety of the interview
8 videotaped, or were there times that you also spoke with
9 Mr. Knapp that were not videotaped?

10 A. If, by that, you mean when, for example, I
11 may have helped him out with his camera gear, opened the
12 door for him and said "Good-by," or helped him move
13 things around and exchanged comments of that nature,
14 then, no. I think that's how to answer it.

15 MS. BARTILSON: Could you read back the
16 question and the answer, because I'm not sure --

17 MR. GREENE: He said that there was no
18 substance aside from courtesies that -- there was
19 nothing -- nothing was videotaped except --

20 Go ahead. Read it back.

21 MS. BARTILSON: I'm not sure that was the
22 answer to the question. I just want to see what we've
23 got.

24 Okay.

25 (Whereupon the record was read.)

1 MS. BARTILSON: Okay. Thanks.

2 Q. The only substantive conversations you had
3 with Mr. Knapp, concerning the matters that you've
4 testified to as to what the interviews were, were on
5 videotape; is that correct?

6 That was an unclear question.

7 A. The only substantive conversations which
8 concerned that subject that I just spoke about were on
9 videotape, yes.

10 Q. Were you present when your attorney was
11 interviewed by Mr. Knapp?

12 A. Yes.

13 Q. Do you recall what it is that your attorney
14 spoke about?

15 A. I recall him speaking about constitutional
16 issues.

17 Q. Do you recall what constitutional issues?

18 A. Freedom of speech.

19 Q. Did Mr. Greene speak about freedom of speech
20 in the abstract, or did he relate it to any particular
21 factual circumstance?

22 A. I believe he related it to the concept of
23 the organization's attempt, through the settlement
24 agreement, to stifle freedom of speech and stifle the
25 public's right to the knowledge of the organization's

1 torious practices.

2 Q. By the way, Mr. Armstrong, you were present
3 in the courtroom on March 20th, 1992, in front of Judge
4 Dufficy, were you not?

5 A. Yes.

6 Q. At the entire hearing?

7 A. Yes.

8 Q. And you heard and understood his order when
9 he issued it on that day, did you not?

10 MR. GREENE: Objection. Calls for legal
11 conclusion.

12 Don't answer it.

13 MS. BARTILSON: Q. Did you hear the order
14 that Judge Dufficy issued on that day in the courtroom?

15 A. Yes.

16 Q. Was Mr. Greene's entire interview with Mr.
17 Knapp videotaped, as well?

18 A. I don't know.

19 Q. Was there a time when Mr. Knapp and Mr.
20 Greene spoke privately and you were not present?

21 A. They may have; I don't know.

22 Q. Did you have any other occasions besides
23 March 20th, 1992, to speak to Mr. Knapp?

24 A. Yes.

25 Q. When was that?

1 A. Sometime later.

2 Q. Do you recall how long later, approximately?

3 A. Perhaps a couple of weeks.

4 Q. Was this a telephone conversation or in
5 person?

6 A. Telephone.

7 Q. Did you call him, or did he call you?

8 A. I believe I called him. He may have
9 returned my call.

10 Q. As best you can recall, Mr. Armstrong, what
11 did you say to Mr. Knapp in that telephone conversation,
12 and what did he say to you?

13 A. In that I was performing a function at that
14 time in Mr. Greene's office, on his order, I believe it's
15 appropriate for me to decline to answer.

16 Q. Concerning a conversation with a media
17 representative?

18 MR. GREENE: I don't think I agree with
19 that.

20 Take a break for a second.

21 (Off the record.)

22 MR. GREENE: Go back on the record.

23 The witness will answer the question.

24 THE WITNESS: I was making an effort to
25 determine how to obtain a copy of the video segment which

1 was aired by CNN.

2 MS. BARTILSON: Q. So you asked Mr. Knapp
3 how you could go about doing that?

4 A. That's the gist of the conversation.

5 Q. Do you recall his reply?

6 A. Not specifically.

7 Q. Did you discuss anything else with Mr. Knapp
8 besides the obtaining of the videotape of that segment?

9 A. It may have been that we discussed running
10 briefly.

11 Q. Did you ever have any other occasion to
12 speak with Mr. Knapp besides the two that you've now
13 described?

14 A. No.

15 Q. Do you know who arranged for Mr. Knapp to
16 come to Mr. Greene's office on March 20th?

17 A. No.

18 Q. Were you working in Mr. Greene's office on
19 March 20th, 1992?

20 A. Yes.

21 Q. When were you interviewed by Bill Horne?

22 A. I believe in the spring, this year.

23 Q. Do you recall what month?

24 A. Not right now.

25 Q. Do you recall if it was before or after the

1 CNN interview that you've described?

2 A. It was after.

3 Q. Do you recall if it was before or after the
4 first time you came down to Los Angeles for a hearing in
5 this case, after it had been transferred to Los Angeles?

6 A. I believe it was before.

7 Q. Okay. How did you come to have an interview
8 with Mr. Horne?

9 A. I think that it stems from my involvement in
10 Scientology litigation, which subject he was covering in
11 his story.

12 Q. Did he contact you, or did you contact him?

13 A. I believe he contacted me.

14 Q. By telephone or in person or in writing?

15 A. I believe by telephone.

16 Q. Do you recall approximately how long before
17 your interview with Mr. Horne he contacted you by
18 telephone?

19 A. It might have been as long as a couple of
20 weeks.

21 Q. And your interview was in person, was it
22 not?

23 A. Yes.

24 Q. As best you can recall, when Mr. Horne
25 contacted you by telephone that first time, what did he

1 say to you and what did you say to him?

2 A. I have no recollection.

3 Q. Did you have any subsequent telephone calls
4 with Mr. Horne before you were interviewed by him in
5 person?

6 A. I believe so.

7 Q. Do you recall how many?

8 A. Perhaps two.

9 Q. Can you distinguish between the two
10 conversations in your mind, or do they blur together when
11 you think about them?

12 A. I distinguish them by his proximity: As he
13 approached, he made a call.

14 Q. As he approached San Anselmo from some other
15 part of the country?

16 A. Correct.

17 Q. Do you recall what was said in the first
18 conversation?

19 A. No.

20 Q. Do you recall anything that was said by
21 either of you in the second conversation?

22 A. It related to logistics, when was he
23 arriving.

24 Q. Approximately how much time did you spend
25 with him after he had arrived?

1 A. I believe I spent, myself, perhaps an hour
2 and a half with him.

3 Q. Do you know anyone else who spent time with
4 him?

5 A. Mr. Greene spent some time with him.

6 Q. Do you recall how much time?

7 A. No.

8 Q. Was Mr. Greene present when you were
9 interviewed by him?

10 A. Some of the time.

11 Q. Were you present when Mr. Greene was
12 interviewed by him?

13 A. Some of the time.

14 Q. Where did your interview take place?

15 A. In the office and walking into San Anselmo,
16 having lunch, and returning.

17 Q. Mr. Horne arrived at your office on the day
18 of the interview, which date you don't recall; is that
19 right?

20 A. I'm sorry. I didn't get that.

21 Q. Did Mr. Horne arrive on his own at your
22 office?

23 A. Yes.

24 Q. Was he by himself?

25 A. Yes.

1 Q. Did he tape-record the interview?

2 A. No.

3 Q. Did he take notes?

4 A. At times.

5 Q. Do you remember the subjects that you
6 discussed with Mr. Horne?

7 A. Broadly, yes.

8 Q. Did you tape the interview with Mr. Horne?

9 A. No.

10 Q. Did Mr. Greene?

11 A. I don't know.

12 MR. GREENE: God may have.

13 MS. BARTILSON: God records everything,
14 Ford. Best court reporter of all.

15 Q. What subjects do you recall discussing with
16 Mr. Horne, speaking of broad subjects now?

17 A. The effect of the settlement agreements, the
18 plight of the organization, what it would take to end its
19 legal troubles.

20 Q. Anything else?

21 A. That's, basically, it.

22 Q. When you say "the effect of the settlement
23 agreements," you are talking about agreements other than
24 just yours?

25 A. Mine and others of that ilk, so both on a

1 personal and theoretical and real level.

2 Q. And you are talking here about other
3 settlement agreements that included nondisclosure
4 agreements; is that right?

5 A. What was your question again?

6 Q. When you say "others of that ilk," you are
7 discussing other settlement agreements that included
8 nondisclosure provisions; is that correct?

9 A. Specific to the organization, yes.

10 Q. Did you discuss your own litigation with CSI
11 with Mr. Horne?

12 A. I believe it was discussed in some form, the
13 specifics about which I do not know.

14 Q. You don't know, or you don't recall?

15 A. I fail to see a difference in that sentence
16 or context.

17 Q. Well, if you don't know something was
18 discussed, you could not know it by never having been
19 there or it never having come up.

20 A. But you know that I was there, and I said it
21 had come up. So we've eliminated those two from the
22 definition, at least, the distinction between "know" and
23 "recall" in that sentence.

24 In any case, if it would speed things: I do
25 not recall.

1 Q. Did you discuss with Mr. Horne any of your
2 experiences that you had had with any Church of
3 Scientology or with Mr. Hubbard prior to 1986?

4 A. I only met him in 1992.

5 Q. Right.

6 Did you discuss with him any experiences you
7 had had with the Church of Scientology or Mr. Hubbard,
8 and dating those experiences back to before 1986?

9 A. I have no recollection of any specific
10 experience being discussed.

11 Q. Might have; might not have; you just don't
12 recall?

13 MR. GREENE: Objection.

14 You can answer the question.

15 THE WITNESS: Yes.

16 MS. BARTILSON: Q. But you discussed the
17 settlement agreements with him; is that right?

18 A. That is one of the things which I recall at
19 this time.

20 Q. Did you give him a copy of your settlement
21 agreement?

22 A. I don't believe so.

23 Q. Did you give him any documents?

24 A. I may have.

25 Q. Do you recall, as you sit here today, any

1 documents that you know you gave to him?

2 A. No.

3 Q. Did your lawyer give him any documents?

4 A. I don't know.

5 Q. If you had given Mr. Horne any documents, is
6 there anywhere you might have made note of that or kept a
7 record of it in some way?

8 A. There could be.

9 Q. Where would that be?

10 A. I don't know.

11 Q. You might have made such a note, but you
12 don't know where that note would be?

13 MR. GREENE: Okay. Enough. Speculation.

14 Don't answer any more of these "if you"-type
15 questions.

16 MS. BARTILSON: Well, I'm trying to find out
17 if there's anything in existence that could refresh the
18 witness's recollection, and I think I'm entitled to that.

19 MR. GREENE: Then ask him. No more
20 speculative questions.

21 Don't answer the "if," speculative,
22 questions.

23 MS. BARTILSON: Q. When you gave documents
24 to reporters or other members of the media, Mr.
25 Armstrong, has it been your custom and practice to make

1 notes of that fact?

2 MR. GREENE: No foundation.

3 Don't answer the question.

4 MS. BARTILSON: Don't answer the question
5 because no foundation?

6 MR. GREENE: Right. No foundation for it --
7 I'm sorry.

8 It assumes a fact not in evidence, which is
9 a similar objection. I will add that.

10 Absolutely no foundation of Mr. Armstrong
11 giving documents to reporters, the foundation of Mr. --
12 of Mr. Armstrong providing an interview.

13 MS. BARTILSON: Mr. Greene, you told me I
14 wasn't supposed to talk about things that had already
15 been discussed in other depositions, and he already
16 testified about giving documents to reporters in other
17 depositions.

18 MR. GREENE: Great. Then bring it up and
19 put it in front of him.

20 MS. BARTILSON: I thought you didn't want me
21 to discuss that again. Why should we do it twice? It's
22 pointless. The foundation has been laid in previous
23 depositions.

24 MR. GREENE: Not in this case. Sorry you
25 are confused, Counsel.

1 MS. BARTILSON: Q. Have you ever given
2 documents to any reporters or other representatives of
3 the media, Mr. Armstrong?

4 A. Yes.

5 Q. Have you done that on more than one
6 occasion?

7 A. Yes.

8 Q. Approximately how many times would you say
9 you've done that?

10 A. Seventeen.

11 Q. Is that an approximate figure, or is that an
12 exact figure?

13 A. It depends on your viewpoint.

14 Q. As you sit here today, you can independently
15 recall 17 times when you gave documents to
16 representatives of the media; is that right?

17 A. No, that mischaracterizes my testimony.

18 Q. Okay.

19 - A. Approximately 17, the specifics of which are
20 another matter.

21 Q. Have you kept notes or records concerning
22 any of those approximately 17 times when you gave
23 documents to representatives of the media?

24 A. Some.

25 Q. On those 17 occasions, or approximately 17

1 occasions, when you have given documents to
2 representatives of the media, have the documents
3 concerned in any way the Church of Scientology
4 International or any related entity or individual?

5 A. Yes.

6 Q. On all of the occasions that we're
7 discussing or just some of them?

8 A. Some.

9 Q. Of the 17, how many?

10 A. Eleven.

11 Q. Looking only at those 11 times when you gave
12 documents to representatives of the media, did you make
13 notes concerning the documents that you were giving away?

14 A. I have no recollection of making a note.

15 Q. On any of those occasions?

16 A. Right.

17 Q. Getting back to your interview with Mr.
18 Horne: Did you discuss the Breckenridge opinion with
19 him?

20 A. As long as it is understood by my answer
21 that I am willing to discuss the Breckenridge opinion
22 with anyone at any time: I have no recollection of so
23 doing with Mr. Horne.

24 MR. GREENE: Bonus answer.

25 MS. BARTILSON: Q. So you probably did, but

1 you don't recall?

2 MR. GREENE: Don't answer the question.
3 Calls for speculation. You've already answered it; it is
4 asked and answered also.

5 MS. BARTILSON: Q. Do you recall any
6 other -- Forget that.

7 You said that you discussed with Mr. Horne
8 the effect of the settlement agreement.

9 Do you recall specifically anything you said
10 to Mr. Horne concerning that?

11 A. Not specifically.

12 Q. Do you recall in general anything that you
13 said to Mr. Horne concerning that?

14 A. Generally, that they obstruct justice, that
15 they are illegal, that I have a right to speak out
16 against them, to divulge the contents, which I see as an
17 obstruction of justice and illegal, and that I have a
18 right to correct the injustices wrought by those rotten
19 agreements.

20 Q. Good pun, Gerry.

21 And you also said that you discussed with
22 him what it would take to end the organization's legal
23 troubles.

24 Can you recall anything specific that you
25 discussed with him concerning that?

1 A. That they must fully and honestly repudiate
2 fair game and associated, related antisocial policies and
3 they must settle openly and fairly.

4 Q. Anything else?

5 A. No.

6 Q. Do you recall anything that Mr. Greene said
7 to Mr. Horne during the time that you were present while
8 Mr. Greene was being interviewed by Mr. Horne?

9 A. No.

10 Q. Do you recall any of the subjects that he
11 discussed?

12 A. I have a recollection of the settlement
13 agreements being discussed.

14 Q. Do you recall what Mr. Greene said about the
15 settlement agreements?

16 A. No.

17 Q. Any other subject that you can recall Mr.
18 Greene discussing with Mr. Horne?

19 - A. No.

20 Q. Have you spoken with Mr. Horne since your
21 interview?

22 A. Yes.

23 Q. When was that?

24 A. Perhaps in July.

25 Q. '92?

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this _____ day **OCT 23 1992**, 19____


CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the



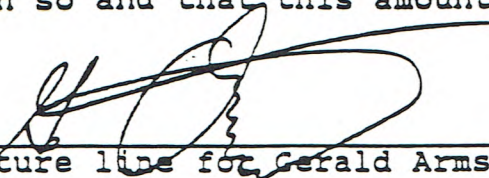


"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.



Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

similar form, any writing or to broadcast or to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), presently on appeal in the Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

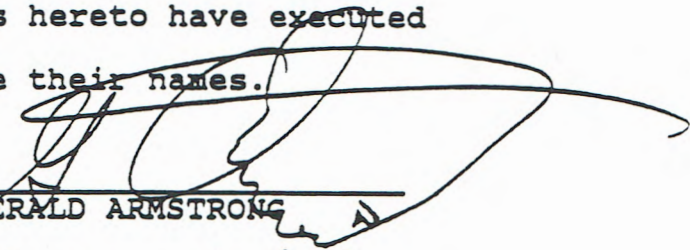
20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

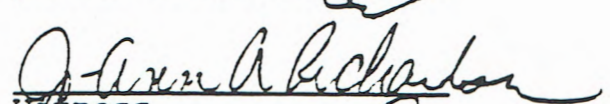
jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

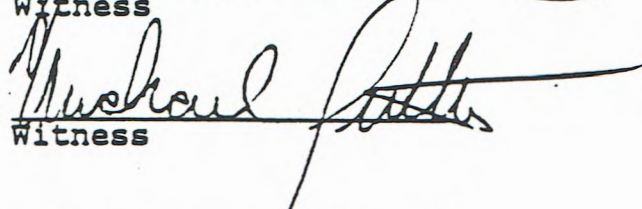
21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

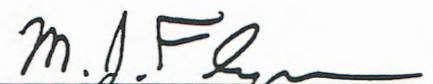

GERALD ARMSTRONG


Witness

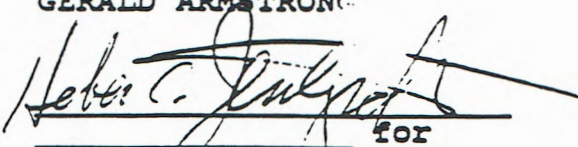

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND
CONTENT:


MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986


for
CHURCH OF SCIEN TOLOGY
INTERNATIONAL

HUB LAW OFFICES
Ford Greene, Esquire
California Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N.
AZNARAN,

Plaintiffs,

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,

Defendants.

No. CV-88-1786-JMI (Ex)

DECLARATION OF GERALD
ARMSTRONG IN OPPOSITION
TO MOTION TO EXCLUDE
EXPERT TESTIMONY

AND RELATED COUNTER CLAIM

I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

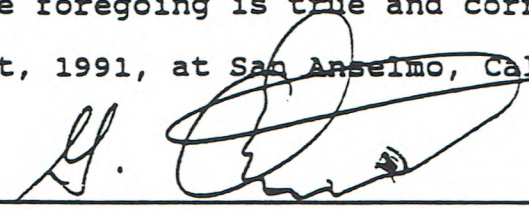
2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

1 and studied his letter dated September 7, 1955 to the Federal
2 Bureau of Investigation and I provided a copy of it to writer, Omar
3 V. Garrison for his use in a biography of Hubbard. A true and
4 correct copy thereof is attached hereto as Exhibit 1.

5 3. While I was a Scientologist I read and studied L. Ron
6 Hubbard's Technical Bulletin of July 22, 1956. It was published in
7 the 1970's in bound volumes of Hubbard's "technical" writings and
8 has continued to be published in later volumes up to the present
9 time. A true and correct copy is attached hereto as Exhibit 2.

10 Under penalty of perjury, pursuant to the laws of the United
11 States I hereby declare that the foregoing is true and correct.

12 Executed this 26th day of August, 1991, at San Anselmo, California.

13
14 
15 _____
16 GERALD ARMSTRONG
17
18
19
20
21
22
23
24
25
26
27
28

00 73

21
RON HUBBARD, D.D. PH.

(51)
Box 242
Silver Spring, Md.
Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

Gentlemen:

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD; the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Kenkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be interested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

RECORDED-104
Concurrently with this in Phoenix, Arizona

20 SEP 7 1955

58
SEP 20 1955

SEE REVERSE SIDE FOR
ADD. DISSEMINATION

A-29

(51)

our Mr. Edd Clark was suddenly arrested "for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and have no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"...

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly

(13)

(51)

we became the subject of violence. Four people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we so informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the same way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptoms whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness

(13)

RON HUBBARD, D.D. M.F.

which now reaches into three states. Can you
do this for us?

I am getting additional copies of the material
which was offered to the Defense Department since
that agency has not acknowledged or returned
anything shipped to it about brain-washing and
when I have these copies I will send one to you
for this is the only starting place I know about
for this outbreak and the matter, while far from
conclusive at least tells me that something went
astray which was dangerous in the wrong hands.

Could you please have your Phoenix office
obtain the names of the people who defamed us to
the County Attorney? Your Bay Area and Richland
offices have already been apprised of the incidents
in those areas.

L. Ron Hubbard

00 82

22

EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

RUSH

July 22nd, 1956

To U.S. ONLY Julia Lewis, Dick Steven, L. Ron Hubbard, Jr.

To England ONLY Association Secretary (Jack Parkhouse)
Director of Processing (Ann Walker)
Director of Training (Dennis Stephens)

Staff Auditors, Instructors and Auditors close to Operations only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement *but* I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NIBS has just cracked two six-year-standing Black Fives using some of this material and Herbie Parkhouse has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have time and environment in which to audit them.

We can make homo soviet. (AND give a grin to those who kept standing around bleating, "Where are the clears?")

We know more about life now than life does—for a fact, since it was reaching, we can communicate about the reactions.

The process is concerned with "making it solid" combined with effects. It isn't easy. It is wonderfully complex and delicate. But it has been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum restimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for hours until he is under auditor's control, in session and (often) exteriorized.

2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-cold mass or an electric shock. This "drank up" bank electronically (brainwashed him). The energy drank turned black. Hence black cases. (Does not apply only to black cases however.)

3. Run, interspersed with solids and "objective can't have" on the room. "Tell me an effect object (that drank bank) could not have on you." and "Tell me an effect you could have on object." Object may be electrodes or supercold plate or even a supercold glass.

473

00 85

382 EXHIBIT 4 PAGE 8

Caution, handle one vacuum at a time. These vacuums go back for 76 Trillion years. They were the original brainwash thetans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are punks, modern shock too feeble to do more than restimulate old vacuums).

Take the vacuum that comes up running solids, or even "Recall a can't have", whatever it is and solve it as above.

This is delicate auditing. If you restimulate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parkhouse is no slouch.

CAUTIONARY

This is true—

1. We have created the permanent stable clear.
2. In creating him we have a homo novus in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 secs to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the toughest grade from away back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could raise the Devil literally.
4. Because we know more than the Insanity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now only if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact regimen of this will be SLP 8 and will include the total picture of separating valences from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L RON HUBBARD

P.S. (Actually, contrary to rumor, it hasn't all been done before. If it had been, the guy who is saying it has would be clear!)

474

00. 84

383

EXHIBIT 4 PAGE 9

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

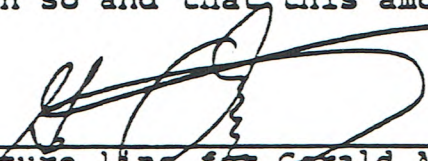
1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.



Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and

settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other

similar form, and / writing or to broadcast : to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the

settlement, or settlements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of \$50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose

concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(T:)resently on appeal in)inth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make

himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated he n shall be deemed to in way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18. (A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement,

representation. A promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

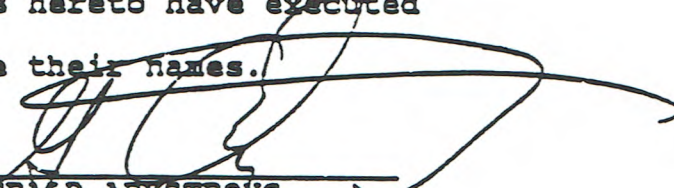
20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

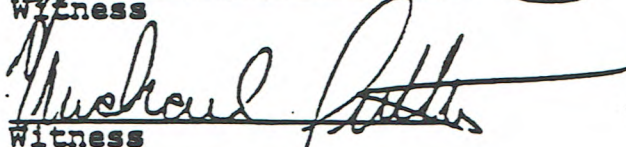
21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1985


GERALD ARMSTRONG


Witness

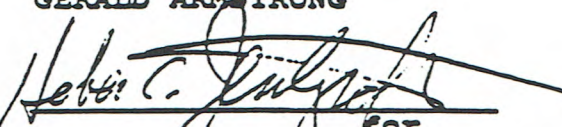

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND
CONTENT:


MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986


for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, or all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

- a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;
- b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;
- c. Minutes, reports and summaries of meetings;
- d. Contracts, agreements, understandings, commitments, proposals and other business dealings;
- e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;
- f. Dictated tapes or other sound recordings;
- g. Computer printouts or reports and the applicable program or programs therefor;
- h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

1 Andrew H. Wilson
2 WILSON, RYAN & CAMPILONGO
3 235 Montgomery Street
4 Suite 450
5 San Francisco, California 94104
6 (415) 391-3900

7 Laurie J. Bartilson
8 BOWLES & MOXON
9 6255 Sunset Boulevard
10 Suite 2000
11 Hollywood, California 90028
12 (213) 661-4030

13 Attorneys for Plaintiff
14 CHURCH OF SCIENTOLOGY INTERNATIONAL

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF MARIN

17 CHURCH OF SCIENTOLOGY)
18 INTERNATIONAL, a California)
19 not-for-profit religious)
20 corporation;)

21 Plaintiff,)

22 vs.)

23 GERALD ARMSTRONG; DOES 1)
24 through 25, inclusive,)

25 Defendants.)

Case No. 152229

DECLARATION OF
LAWRENCE E. HELLER

26 I, LAWRENCE E. HELLER, hereby declare:

27 1. I am an attorney at law duly licensed to practice
28 before all of the courts of the State of California and am
a partner in the law firm of Turner, Gerstenfeld, Wilk &
Tigerman. I have personal knowledge of the matters set forth
below, and if called upon to do so, could and would competently
testify thereto.

2. In 1986 I assisted various Churches of Scientology to
achieve the settlement of a series of lawsuits with attorney

1 Michael J. Flynn and a several other attorneys around the
2 country, who represented a number of plaintiffs and witnesses
3 against these Churches of Scientology. Gerald Armstrong was one
4 of these plaintiffs.

5 3. To finalize this settlement with Armstrong, I met with
6 Mr. Armstrong and his attorney, Michael Flynn, in Los Angeles
7 on December 6, 1986. I was present when Mr. Armstrong, in the
8 presence of his attorney signed the Settlement Agreement with
9 the Church of Scientology International. This meeting and
10 signing was video taped.

11 4. Attached as Exhibit A to this Declaration is a copy of
12 the video tape made at that meeting. I have reviewed this tape
13 and state that it accurately depicts all of the events of that
14 meeting.

15 5. Attached as Exhibit B is a copy of the transcript of that
16 video tape. I have reviewed this transcript against the video,
17 itself, and state that it is an accurate transcription of the
18 video.

19 I declare under penalty of perjury that the foregoing is
20 true and correct. Executed this 2nd day of March, 1992, at
21 Los Angeles, California.

22 
23 Lawrence E. Heller

Exhibit B

TRANS AT OF GERALD ARMSTRONG V. RECORDING OF
SETTLEMENT AGREEMENT SIGNING

Appearances: December 6, 1986

LH: Larry Heller

GA: Gerald Armstrong

MF: Michael Flynn

JR: Jo Ann Richardson (Notary)

MS: Michael Sutter (Witness)

BEGINNING OF TAPE

LH This is fine, that covers everything and um, we're alright.

MF How many you got there?

LH Well I got the two affidavits for, then I got these here which, um, we don't have to sign these on video tape - we can do it if you like...

MF It makes no difference to me.

LH It's all the same to me too...

LH OK. It's now 9:04, ah, pm on December 6 1986 and to my left is Gerald Armstrong and next to him Michael J. Flynn. Um, Mr. Armstrong, I understand Mr. Flynn is your attorney here representing you today, is that correct?

GA Right.

LH OK. Ah, Mr. Armstrong I'm going to ask you to sign three documents, ah, a mutual release of all claims and settlement agreement, and two separate affidavits. Prior to doing so however, I would like to ask you some questions with regard to those documents, um-hum, excuse me, which I would like you to answer freely and honestly if you would. Ah, first of all have you had a chance to, ah, completely and comprehensively review and read these documents?

GA Yeah.

LH OK. Have you had a chance to discuss these documents with your attorney, Mr. Flynn?

GA Yes.

LH Has Mr. Flynn explained these documents as well the legal and factual ramifications to you, legal and practical ramifications to you to your satisfaction?

GA Uh, I think so, yes.

LH OK. Well do you have any question of that whatsoever?

GA No, I have no current questions about it.

LH OK, very good. You are going to sign these of your own free will?

GA Yes.

LH OK. You are not suffering from any duress or coercion which is compelling you to sign these documents?

GA No.

LH Alright, you are not presently under the influence of alcohol or any medication, prescription or otherwise, which would impede your ability to comprehend the um, legal and factual intent of these documents?

GA No.

LH Um, you may have noticed in reviewing the settlement agreement that, ah, you are part of a what we have generically described as a universal settlement, ah, what I mean by that is and you probably know that independently as well, as you're smiling. What I mean by that...

GA ... no, just that, that's the same as a global settlement, right?

LH It's the same thing. Exactly.

GA Got it.

LH I said generically described so far, universal, global, all encompassing - whatever you like, but the intent of it is that, um, you are one of many claimants uh, who uh, contend that they have claims against the Church of Scientology as well as related and unrelated entities and individuals. Some of those claimants have litigation such as you do pending against the Church of Scientology, some of them don't.

Uh, as you also may or may not know, uh, one lump sum payment is being made to Mr. Flynn. Um, Mr. Flynn is then

going to be distributing from that lump sum certain sums to some or all of these claimants...

MF After I go to Rio.

LH After he goes to Rio, exactly. Neither I nor my clients know what the nature or amount that that distribution is um, and we don't want to know. Uh, what's important to us is that you realize that it's a universal/global settlement; that you realize that you are getting paid a certain amount out of that settlement, if you in fact are, and I'm making the assumption you are, but that, uh, and also that you tell me while we're now on video tape that you are happy and satisfied with the amount that Mr. Flynn has promised to pay you.

(phone rings and is answered)

GA Yes.

LH OK, now, other than any representations which Mr. Flynn has made to you in order to uh, get you to sign this uh, have any other representations been made by either myself or my clients or anything else which has compelled you to sign these documents?

Now, what I'm saying to you is there are obviously representations in the documents...

GA Correct.

LH Mr. Flynn has spoken with you - he has said you will get this and that for the, uh, whether money or other consideration for the signing of these documents...

GA Right.

LH OK, now I want to make sure that were there any other representations made to you of anything you would get in consideration for the signing of these documents.

GA Not in terms of what I would get: no.

LH OK. Along those same lines - As I said this is a universal settlement - ah, accordingly, ah, it is possible that some of the other parties may not settle for some reason, and I want you to be aware of the fact that if in fact one of those other, one or more of those other parties do not settle, this settlement falls through. You're aware of that?

GA OK.

LH OK, and you're also aware of the fact however that we are putting these in what is in effect an escrow account - these documents and this video tape - an escrow, um, sort of holding place, uh, so that all of these documents in the video tape will be destroyed if the, uh, settlement does not go through. And you're aware of all that? ...OK?

GA Um-hum.

LH OK, uh, with that then why don't we take a picture of the mutual release of all claims and settlement agreement and then I'll ask you to sign it.

...zoom to document...

LH OK, now what I'm going to ask you to do is please is to initial each of the bottom of each of these pages, I'll turn the page for you and then you'll sign it, I think in two different places if you would.

...GA initials the document...

MF Oh you've got a signature there, Lar.

LH Oh, I'm sorry...that's right...right up here.

...GA continues to initial and sign the document...

LH OK and if you'd date and sign there please.

...GA signs the document...

MF You didn't want to eat dinner with any of those people anyway.

LH No, what did I want to go out to dinner for. Is that crazy? OK, let's see, if you give it to Mr. Flynn, he'll sign it ... and you'll take two separate pictures of these Ted.

...zoom into document...

MF Little art work?

GA I think it...I think we have to, seeing as that's how the checks are.

LH OK and I've just taken a picture of this affidavit and asked that you initial at the bottom of the pages and then sign it once you get your pen back.

...GA signs document...

MF (Laughs)

LH OK, and here is the second affidavit...

...zoom into document...

LH OK.

...GA signs document...

MF How do you do that so quickly? That's awesome.

LH Um... OK, do you have any sort of identification on you so we can give it to the notary?

GA Sure.

LH So she can notarize your documents.

GA We haven't met before, have we?

JR No.

LH Why don't I have you sign...

LH Uh, I don't think we need to take a picture of this, this is the stipulated sealing order but you know what, all of these are for Bruce Bunch's signature I think...

MF Oh, are they...

LH Because...

MF Should we get Bruce down here at some point?

LH Well...

MF Bruce is in trial I think...

GA Yeah, he is.

MF Yeah, whatever, we can get Bruce back down here. He's in the middle of a trial...

LH I think I'd want either Bruce or Julia's signature on this.

MF Julia would probably be easier...

LH Yeah...

MF Cause Bruce is in the middle of a trial.

LH Well we can arrange for that, that shouldn't be a problem...

MF Well she's coming Monday to do hers...right?

LH Exactly, um, ok, I noticed by the way, in this stipulation for return of sealed materials, it also has Mr. Armstrong's signature and your signature on it so...Let's take a picture of that.

...zoom into document...

LH And have you had a chance to read this yet Mr. Armstrong?

GA Yeah.

LH OK...alright... would you date and sign that please.

GA I keep thinking it's '85.

LH It's a good way...certainly...not to confuse your signature...

GA No.

LH ...Because Mr. Armstrong is, um, putting a face on his signature.

GA Makes it valuable.

LH Exactly.

MF It's awesome...as opposed to my ugly scrawl.

LH You probably have the same artistic talent that I have, which is...

MF Mine is zero.

LH Zero to none. OK, and I think that's it. Thank you Ted. Oh OK, or do you have any questions?

GA No, no

MF Those are orders...

LH These are orders which will be signed by the attorneys which will relate to sealing the files so that no one can get into them as well dismissing your actions. Those will be signed when the entire settlement is finished, um, and then given to the court for Judge Breckenridge's signature.

GA OK...

LH OK.

MF We should put how many docs we got...

GA Do you need duplicate sets signed? Or is that...

MF No, no there's only one...

LH No.

...counting documents...

MF 1-2-3-4 here.

LH OK, I've got two here which is six and then there's two affidavits which is eight.

LH OK, and if you got a drivers license or...

GA Right here.

JR He gave it to me...

LH Already got it?

GA Yeah.

JR You need to put your signature there and your address there please.

LH So you had a good time today?

MF Oh yeah, we had an excellent time, it was very pleasant and we had a nice plane ride up - nice plane ride back...

LH Well Michael's good company.

MF Nice visit with ah...yeah, Mike's very good company... nice, pleasant...

LH I've flown with him once or twice myself.

MF Yeah.

LH The trouble with me, he ususally sleeps. I'm not sure why that is.

MF No, we didn't sleep, (laughs).

MF Witnesses, we need witnesses with some of these docs.

LH Uh, no I think there was a one...that's right.

MF ...several are needed...

LH ...well, just, no only...

MF ...just the release.

LH Only the ah, mutual release...did I see a witness signature there? And there were... you know let's get Ted back - As a matter of fact Ted, why don't you roll this again because we're going to have witnesses sign. Thanks for reminding me.

MS Should Ted be a witness?

LH Oh, you two were witnesses so far... OK, we're back on the camera - 9:15 - and I neglected to get witnesses signatures on the uh, mutual release of all claims and settlement agreement so why don't I do that right now.

...Witnesses sign...

MS Just the one?

LH Okee-dokee, yup, and those are affidavits. Will you stamp them? Thanks Ted. Allright, so...we want to put up all this down in the vault...

MF This all goes together.

LH ...and you've marked that stuff for Michael Hertzberg.

MF Yeah. All marked.

END OF TAPE

1 LEWIS, D'AMATO, BRISBOIS & BISGAARD
2 DAVID B. PARKER
3 GRAHAM E. BERRY
4 JAYESH PATEL
5 221 North Figueroa Street, Suite 1200
6 Los Angeles, California 90012
7 (213) 250-1800

8 JOSEPH A. YANNY, ESQ.
9 1925 Century Park East
10 Suite 1260
11 Los Angeles, California 90067
12 (213) 551-2966

13 Attorneys for Amicus Curiae Joseph A. Yanny, an individual
14 and Joseph A. Yanny, a professional Law Corporation.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

12 CHURCH OF SCIENTOLOGY
13 INTERNATIONAL, A California
14 not-for-profit religious
15 corporation,

16 Plaintiff,

17 vs.

18
19 GERALD ARMSTRONG and DOES 1
20 through 25 inclusive,

21 Defendants.

) No. BC 052 395

)
) DECLARATION OF GRAHAM E. BERRY
) TO ALL EVIDENCE IN SUPPORT OF
) AMENDED AMICUS CURIAE BRIEF IN
) OPPOSITION TO PLAINTIFFS' ORDER
) TO SHOW CAUSE RE PRELIMINARY
) INJUNCTION AND SUPPORTING
) EXHIBITS

)
) Date: May 14, 1992
) Time: 8:30 a.m.
) Dept.: 86

) [Filed concurrently with Joseph
) A. Yanny's Amended Amicus
) Curiae Brief]

22
23 I, Graham E. Berry, declare:

24 1. I am an attorney duly licensed to practice before
25 the courts in the state of California and I am a member of the law
26 firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys of record
27 for amicus curiae Joseph A. Yanny, Esq. in this action.

28 2. I have personal knowledge of the facts contained in
this declaration and could and would competently testify to those

1 facts if called upon to do so. As to the matters which are
2 stated to be upon information and belief, I believe them to be
3 true.

4 3. This declaration is offered in support of Joseph A.
5 Yanny's amicus curiae brief in opposition to plaintiffs' order to
6 show cause re preliminary injunction.

7 4. Attached hereto as Exhibit A is a copy of a document
8 entitled mutual release of all claims and settlement agreement
9 dated 12-6-86. ("The Armstrong Settlement Agreement.")

10 5. Attached hereto as Exhibit B is a copy of a document
11 entitled settlement agreement and bearing various dates in and
12 around December 6, 1986.

13 6. Attached hereto as Exhibit C is a copy of an order
14 dismissing action with prejudice dated December 11, 1986.

15 7. Attached hereto as Exhibit D is a copy of a minute
16 order entered December 12, 1986.

17 8. Attached hereto as Exhibit E is a copy of reporters
18 transcript of proceedings, December 11, 1986.

19 9. Attached hereto as Exhibit F is a copy of Reporters
20 transcript of hearing dated August 6, 1991 in Religious Technology
21 Center et al v. Joseph A. Yanny, et al. ("The Yanny II Injunction
22 Hearing").

23 10. Attached hereto as Exhibit G is a copy of a
24 memorandum of intended decision and accompanying minute order
25 dated June 22, 1984. ("The Breckenridge Decision in Armstrong
26 I").

27 11. Attached hereto as Exhibit H is a copy of the
28 complaint in Vicki Aznaran and Richard Aznaran v. Church of

1 Scientology et al. ("The Aznaran Comp. t").

2 12. Attached hereto as Exhibit I is a copy of a
3 verified complaint in Religious Technology Center et al. v. Joseph
4 A. Yanny, ("The Yanny II Complaint").

5 13. Attached hereto as Exhibit J is a copy of the
6 verified first amended answer in Religious Technology Center et al
7 v. Joseph A. Yanny et al. ("The Yanny II Answer")

8 14. Attached hereto as Exhibit K is a copy of Reporters
9 Transcript of Proceedings, December 23, 1991. ("The Geernaert
10 Decision in Armstrong I")

11 15. Attached hereto as Exhibit L is a copy of a letter
12 and enclosure dated March 13, 1992 from Graham E. Berry of Lewis,
13 D'Amato, Brisbois & Bisgaard to Laurie J. Bartilson of Bowles &
14 Moxon requesting plaintiffs to release Gerald Armstrong from the
15 provisions of the Armstrong Settlement Agreement with regard to
16 Joseph A. Yanny.

17 16. Attached hereto as Exhibit "M" is a copy of a letter
18 from Gerald Armstrong to Eric Lieberman a Scientology attorney
19 dated August 21, 1991 complaining of harassment, surveillance and
20 terrorism.

21 17. Attached hereto as Exhibit N is a copy of reporters
22 transcript of proceedings dated March 3, 1992. ("The Dufficy
23 Decision").

24 18. Attached hereto as Exhibit O is a copy of a meet
25 and confer statement in Religious Technology Center et al v.
26 Joseph A. Yanny ("Yanny II") which explains the Yanny II
27 litigation and underlying facts.

28 //

1
2 19. Attached hereto as Exhibit P is a copy of a
3 Declaration of Gerald Armstrong Dated March 16, 1992.

4 20. Attached hereto as Exhibit Q are deposition
5 excer2pts from the Deposition of Gerald Armstrong taken on
6 Tuesday, March 17, 1992.

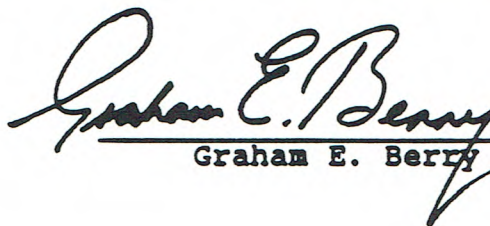
7 21. Attached hereto as Exhibit R are deposition
8 excerpts from the Deposition of Gerald Armstrong taken on April
9 7, 1992.

10 22. Attached hereto as Exhibit S is a copy of L. Ron
11 Hubbard's Technique 88 "Control and Lying".

12 23. Attached hereto as Exhibit T is a copy of
13 "Suppressive Person Declare Gerry Armstrong."

14 I declare under penalty of perjury under the laws of
15 the State of California that the foregoing is true and correct.

16 Executed this 7th day of May, 1992 at Los Angeles,
17 California.

18
19 
20 _____
21 Graham E. Berry
22
23
24
25
26
27
28

SETTLEMENT AGREEMENT

WORK
COPY

A. PRIOR SETTLEMENTS:

Settlement agreements made prior to November 1, 1986 and prior to the collective settlement stated below:

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1) Bears	\$115,000.00	To be determined with local counsel
(2) Garritys	\$175,000.00	To be determined with local counsel
(3) Petersons	\$175,000.00	To be determined with local counsel
(4) Jefferson	\$150,000.00	To be determined with local counsel
(5) Lockwood	\$150,000.00	To be determined with local counsel
(6) Hartwell	\$150,000.00	To be determined with local counsel
	<u>\$915,000.00</u>	To be determined with local counsel

B. INDEPENDENT SETTLEMENT:

The Christofferson-Titchborne settlement was made separate from the collective settlement. It was agreed to between attorney Gary McMurray, his client, Julie Christofferson-Titchborne and the Church of Scientology.

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
Christofferson-Titchborne	\$100,000.00	To be determined by attorney McMurray and client. None of the attorneys representing other clients in the collective settlement represent or have represented Christofferson-Titchborne.

C. COLLECTIVE SETTLEMENT:

The following cases/clients are part of a collective settlement made on December 11, 1986. The undersigned acknowledge that the settlement set forth above in Paragraphs A and B were made as separate settlements, meaning that the cases/clients listed in Paragraphs A and B agreed to the amounts stated therein prior to the collective settlement as in Paragraph A, and independent from the collective settlement as in Paragraph B. The total amount of the collective settlement is \$2,800,000.00. The total amount of the collective settlement and the prior independent settlements in Paragraphs A and B is \$3,815,000.00. The collective settlement allocation is as follows:

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1) Nancy Dincalci	\$ 7,500.00	None
(2) Kim Douglas	\$ 7,500.00	None
(3) " " "	" " "	" " "
(4) " " "	" " "	" " "

-2-

(3)	Robert Dardano	\$ 15,000.00	None
(4)	Warren Friske	\$ 15,000.00	None
(5)	William Franks	\$ 40,000.00	None
(6)	Laurel Sullivan	\$ 40,000.00	None
(7)	Edward Walters	\$100,000.00	To be determined between client and attorneys
(8)	Howard Schomer	\$200,000.00	To be determined between attorney Bunch and client
(9)	Martin Samuels	\$500,000.00	To be determined between attorney McMurray and client
(10)	Gerald Armstrong v. Church of Scientology	\$800,000.00	To be determined between attorney Bunch and client
(11)	Fees and expenses to attorneys Contos & Bunch, Robert Kilbourne, Michael Flynn, and associated counsel for the prosecution and defense of various cases including the "Hubbard documents" case, the "check- frame up" case and the defense of approximately 17 lawsuits against attorney Flynn and his clients.	\$500,000.00	To be determined between attorneys Contos & Bunch, Michael Flynn, Robert Kilbourne, and associated counsel
(12)	Flynn v. Ingram (No. _____) Flynn v. Hubbard (No. _____)	\$575,000.00 -0-	To be determined between attorney Flynn and his counsel
		\$2,000,000.00	

ENCLOSURE

we, the undersigned, agree and acknowledge that

- (1) we have read the foregoing Settlement Agreement;
- (2) that we agree with the total settlement amount and the allocations to the respective cases/clients as set forth therein;
- (3) that we have either consulted, been advised to consult, or have had the opportunity to consult with attorneys other than Michael J. Flynn who, we acknowledge is also a claimant against the Church of Scientology and L. Ron Hubbard;
- (4) that we agree to maintain the confidentiality of this Settlement Agreement;
- (5) that we acknowledge that many of the cases/clients involved in this settlement have been in litigation against the Church of Scientology for more than six to seven years, that many have been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the (a) length and degree of harassment; (b) length and degree of involvement in the litigation; (c) the individual nature of each respective claim in connection with either their involvement with the Church of Scientology as a member and/or as a litigant; (d) the unique value of each case/client based on a variety of things including, but not limited to, the current procedural posture of a case, specific facts unique to each case, and financial, emotional or consequential damage in each case; that we agree and

acknowledge that Michael J. Flynn has primarily been responsible for bearing the cost of the litigation over a period of approximately seven years, that he or his firm's members have been required to defend approximately 17 lawsuits and/or civil/criminal contempt actions instituted by the Church of Scientology against him, his associates and clients, that he and his family have been subjected to intense and prolonged harassment, and that his claims against the Church of Scientology and L. Ron Hubbard, and his participation as an attorney have a unique value which is accurately and properly reflected in the allocations set forth herein.

Nancy Pincalci
NANCY PINCALCI

DATE:

Dec 5, 1986

Kima Douglas
KIMA DOUGLAS

DATE:

Dec 5 - 1986

Robert Dardano
ROBERT DARDANO

DATE:

Dec - 20 - 1986

Warren Friske
WARREN FRISKE

DATE:

Laurel Sullivan
LAUREL SULLIVAN

DATE:

Dec 7, 1986

Julia Christofferson
JULIA CHRISTOFFERSON

DATE:

Dec 6, 1986

EXHIBIT 4

Paul Goss
11.11.11. B.L.
WILLIAM FRANKS

Edward Walters
EDWARD WALTERS

Howard Scherer
HOWARD SCHERER

Martin Samuels
MARTIN SAMUELS

Gerald Armstrong
GERALD ARMSTRONG

MICHAEL J. FLYNN

CONTOS & BUNCH
A PROFESSIONAL CORPORATION

By: Bruce H. Bunch
BRUCE H. BUNCH JUDIA PRACOMIC

Gary R. Murray
GARY R. MURRAY

ROBERT KILBOURNE

Jane Peterson
3:3:17

Richard Peterson

Richard Peterson

DATE: _____

DATE: 6.2.86

DATE: Yemen 7th 1986

DATE: 12-5-86

DATE: Dec 4, 1986

DATE: 12-6-86

DATE: _____

DATE: 12-10-86

DATE: December 6, 1986

DATE: _____

DATE: _____

DATE: _____

DATE: 12/1/86 EXHIBIT H



LA photo/Frankie Frost

CASH CRITIC: Gerald Armstrong of San Anselmo reflects on how the world would be a better place without money

Is money the root of problems?

Critic of cash, credit urges monetary abolition

By Richard Polito

Independent Journal reporter

Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist.

It's that easy.

The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. No more pay checks, no more loan payments, no more taxes, and forget that, \$20 you owed your brother-in-law.

Bank presidents would clean up litter. Donald Trump could get a real job. The Financial District would be a ghost town with marble lobbies — and lots of parking.

And it all starts today.

In a rare moment of realism, Armstrong admits today's deadline "is probably not going to be achieved."

Renouncing cash, credit

Armstrong, self-proclaimed founder of the Organization of United Renunciants, set the date for people who have taken his "pledge of renunciation" to stop using money. Fellow renunciants will renounce all cash and credit, stop taking money, stop paying with money, forgive all their debts and stop keeping financial records.

The critic of credit has already put his money where his doubts are. He gave it all away. And it was more than pocket change.

Armstrong won an \$800,000 settlement in a harassment suit against the Church of Scientology six years ago. Once a member of the inner circle, he is now a vocal critic.

Armstrong doesn't expect everyone to buy in from the start, just "somewhere between 1 and 11 percent."

He's a tad short. Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet.) He has also written to the New York Times and other mega-media.

Ted Koppel has not called.

Money considered valueless

Armstrong is not discouraged.

The monetary messiah insists there is much about daily life that will not change. People will still go to work, shop at the market and pick out a new car every few years. They just wouldn't exchange any money along the way.

Money, in Armstrong's eyes, has no value and the existence of money has created entire industries that do nothing more than transfer mythical essences of value from one account to another.

In Armstrong's cashless Utopia, there would be total employment because people could do jobs they wanted to do and companies could employ more workers because they would not have to pay them. Farmers would still farm. Autoworkers would still make cars. Sewer workers would still shovel sludge.

And Disneyland would no longer charge admission.

NOT TO BE PUBLISHED

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL,	)	No. B069450
	)	
Plaintiff and Respondent,	)	(Super.Ct.No. BC052395)
	)	
v.	)	
	)	
GERALD ARMSTRONG,	)	
	)	
Defendant and Appellant.	)	

COURT OF APPEAL - SECOND DISTRICT

F I L E D

SEP 18 1994

JOSEPH L. ... Clerk
B. ...

APPEAL from an order of the Superior Court of
Los Angeles County, Ronald M. Sohigian, Judge. Affirmed.

Ford Greene and Paul Morantz for Defendant and
Appellant.

Bowles & Moxon, Karen D. Holly, Wilson, Ryan &
Campilongo, Andrew H. Wilson, Rabinowitz, Boudin, Standard,
Krinsky & Lieberman, Eric M. Lieberman, and Michael Lee
Hertzberg for Plaintiff and Respondent.

Defendant and appellant Gerald Armstrong (Armstrong) appeals from an order granting a preliminary injunction restraining Armstrong from voluntarily giving assistance to other persons litigating or intending to litigate claims against plaintiff and respondent Church of Scientology International (Church).

The injunction was granted to enforce a settlement agreement in prior litigation between Armstrong and Church. In the settlement, Armstrong agreed he would not voluntarily assist other persons in proceedings against Church.

Armstrong does not deny violating his agreement but asserts numerous reasons why his agreement should not be enforceable. We conclude that the narrowly-limited preliminary injunction, which did not finally adjudicate the merits of Armstrong's claims, was not an abuse of the trial court's discretion to make orders maintaining the status quo and preventing irreparable harm pending the ultimate resolution of the merits.

FACTUAL AND PROCEDURAL BACKGROUND

Armstrong was a member of Church between 1969 and 1981. He became an insider of high rank, familiar with Church practices and documents. He became disillusioned and left Church in 1981. When he left, he took many Church documents with him.

The Prior Action and Settlement

Church brought the prior action against Armstrong seeking return of the documents, injunctive relief against further dissemination of information contained in them, and imposition of a constructive trust. Mary Sue Hubbard, wife of Church founder L. Ron Hubbard, intervened asserting various torts against Armstrong. Armstrong filed a cross-complaint seeking damages for fraud, intentional infliction of emotional distress, libel, breach of contract, and tortious interference with contract.

Church's complaint and Hubbard's complaint in intervention were tried in 1984 by Judge Breckenridge. That trial led to a judgment, eventually affirmed on appeal, holding Armstrong's conversion of the documents was justified because he believed the conversion necessary to protect himself from Church's claims that he had lied about Church matters and L. Ron Hubbard. (Church of Scientology v. Armstrong (1991) 232 Cal.App.3d 1060, 1063, 1073.)

Armstrong's cross-complaint in that case was settled in December 1986 by the settlement agreement which is the subject of the injunction in the present case.

In the settlement agreement, the parties mutually released each other from all claims, except the then-pending appeal of Judge Breckenridge's decision on Church's complaint, which was expressly excluded. The settlement involved a number

of persons engaged in litigation against Church, all represented by Attorney Michael Flynn. As a result of the settlement, Armstrong was paid \$800,000. Armstrong's cross-complaint was dismissed with prejudice, as agreed, on December 11, 1986.

The portions of the settlement agreement most pertinent to this appeal are paragraphs 7-G, 7-H, and 10, in which Armstrong agreed not to voluntarily assist other persons intending to engage in litigation or other activities adverse to Church.^{1/}

1. "G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology. [¶] H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed. [¶] . . . 10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement."

Paragraph 20 of the agreement authorizes its enforcement by injunction.

The Present Action

In February 1992, Church filed a complaint in the present action alleging Armstrong's violation of the settlement agreement and seeking damages and injunctive relief.

In support of its motion for a preliminary injunction, Church presented evidence that since June 1991 Armstrong had violated the agreement by working as a paralegal for attorneys representing clients engaged in litigation against Church and by voluntarily and gratuitously providing evidence for such litigation. Armstrong worked as a paralegal for Attorney Joseph Yanny, who represented Richard and Vicki Aznaran in a multimillion dollar suit against Church in federal court. Armstrong also voluntarily provided declarations for use in the Aznarans' case. Armstrong thereafter worked for Attorney Ford Greene on the Aznaran and other Church related matters.

Armstrong did not deny the charged conduct but asserted the settlement agreement was not enforceable for various reasons, primarily that it was against public policy and that he signed it under duress.

The Trial Court's Preliminary Injunction

The trial court granted a limited preliminary injunction, with exceptions which addressed Armstrong's

argument that the settlement agreement violated public policy by requiring suppression of evidence in judicial proceedings.

The court found that Armstrong voluntarily entered the settlement agreement for which he received substantial compensation, and that Armstrong was unlikely to prevail on his duress claim. The court found that Armstrong could contract as part of the settlement to refrain from exercising various rights which he would otherwise have. Balancing the interim harms to the parties, the court found that to the extent of the limited acts covered by the preliminary injunction, Church would suffer irreparable harm which could not be compensated by monetary damages, and harm for which monetary damages would be difficult to calculate. (Code Civ. Proc., § 526, subds. (a)(2), (a)(4), (a)(5).)

The court's order provides, in pertinent part:

"Application for preliminary injunction is granted in part, in the following respects only. [¶] Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following: [¶] Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons

referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it. [¶]
Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986."

The court provided the following exceptions to address Armstrong's public policy arguments: "The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the 'Mutual Release of All Claims and Settlement Agreement' of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order."

/

/

/

/

DISCUSSION

The grant of a preliminary injunction does not adjudicate the ultimate rights in controversy between the parties. It merely determines that the court, balancing the relative equities of the parties, concludes that, pending a trial on the merits, the defendant should be restrained from exercising the right claimed. The purpose of the injunction is to preserve the status quo until a final determination of the merits of the action. (Continental Baking Co. v. Katz (1968) 68 Cal.2d 512, 528.)

The court considers two interrelated factors. The first is the likelihood the plaintiff will prevail at trial. The second is the interim harm the plaintiff is likely to sustain if the injunction is denied, as compared to the harm the defendant is likely to suffer if the injunction is granted. (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286.)

The decision to grant or deny a preliminary injunction rests in the discretion of the trial court. Accordingly, an appellate court's review on appeal from the granting of a preliminary injunction is very limited. The burden is on the appellant to make a clear showing that the trial court abused its discretion. (IT Corp. v. County of Imperial (1983) 35 Cal.3d 63, 69; Nutro Products, Inc. v. Cole Grain Co. (1992) 3

Cal.App.4th 860, 865.) Abuse of discretion means the trial court has exceeded the bounds of reason or contravened the uncontradicted evidence. (IT Corp. v. County of Imperial, supra, 35 Cal.3d at p. 69.)

Here, the trial court's memorandum decision reflects very careful consideration of the factors relevant to the granting of a preliminary injunction. The court weighed the relative harms to the parties and balanced the interests asserted by Armstrong. The court granted a limited preliminary injunction with exclusions protecting the countervailing interests asserted by Armstrong. We find no abuse of discretion. We cannot say that the trial court erred as a matter of law in weighing the hardships or in determining there is a reasonable probability Church would ultimately prevail to the limited extent reflected by the terms of the preliminary injunction.

Although Armstrong's "freedom of speech" is affected, it is clear that a party may voluntarily by contract agree to limit his freedom of speech. (See In re Steinberg (1983) 148 Cal.App.3d 14, 18-20 [filmmaker agreed to prior restraint on distribution of film]; ITT Telecom Products Corp. v. Dooley (1989) 214 Cal.App.3d 307, 319 [employee's agreement not to disclose confidential information; "it is possible to waive even First Amendment free speech rights by contract"]; Snepp v. United States (1980) 444 U.S. 507, 509, fn. 3 [book by CIA

employee subject to prepublication clearance by terms of his employment contract].)

The exceptions in the trial court's injunction assured that the injunction would not serve to suppress evidence in legal proceedings. The injunction expressly did not restrain Armstrong from accepting service of subpoenas, testifying fully and fairly in legal proceedings, and reporting criminal conduct to the authorities. (See Philippine Export & Foreign Loan Guarantee Corp. v. Chuidian (1990) 218 Cal.App.3d 1058, 1081-1082.) This contrasts with the stipulation in Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 315-316, cited by Armstrong, which prevented a party from disclosing misconduct to regulatory authorities.

This appeal is only from the granting of a preliminary injunction which expressly did not decide the ultimate merits. As limited by the trial court here, the preliminary injunction merely restrains, for the time being, Armstrong's voluntary intermeddling in other litigation against Church, in violation of his own agreement. We decline any extended discussion of Armstrong's shotgun-style brief, which offers more than a dozen separate contentions against enforcement. It suffices to say that Armstrong has not borne his burden on appeal to demonstrate a clear abuse of discretion.

DISPOSITION

The order granting a preliminary injunction is affirmed.

NOT TO BE PUBLISHED

VOGEL (C.S.), Acting P.J.

We concur:

HASTINGS, J.

KLEIN (Brett), J.*

*Assigned by the Chairperson of the Judicial Council.

OFFICE OF THE CLERK
COURT OF APPEALS
STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT
JOSEPH A. LANE, CLERK

DIVISION: 4 DATE: 05/16/94

Bowles & Moxon
Laurie J. Bartilson
6255 Sunset Blvd
Suite 2000
Hollywood, CA. 90028

RE: Church of Scientology International
vs.
Armstrong, Gerald
2 Civil B069450
Los Angeles NO. BC052395

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge

1a

M. Cervantes, Deputy Clerk

None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge
1bM. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

The application for preliminary injunction is otherwise denied.

7 The restraints referred to in sec. 6, above, will become effective upon plaintiff's posting an undertaking in the sum of \$70,000 pursuant to CCP 529(a) by 12:00 noon on June 5, 1992.

8 The restraints referred to in sec. 6, above, properly balance and accommodate the policies inherent in: (a) the protectable interests of the parties to this suit; (b) the protectable interests of the public at large; (c) the goal of attaining full and impartial justice through legitimate and properly informed civil and criminal judicial proceedings and arbitrations; (d) the gravity of interest involved in what the record demonstrates defendant might communicate in derogation of the contractual language; and (e) the reasonable interpretation of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986. The fair interpretation of all the cases cited by the parties indicates that this is the correct decisional process. The law appropriately favors settlement agreements. Obviously, one limitation on freedom of contract is "public policy"; in determining what the scope of the public policy limitation on the parties' rights to enforcement of their agreement in the specific factual context of this case, the court has weighed the factors referred to in the first sentence of this section. Litigants have a substantial range of contractual freedom, even to the extent of agreeing not to assert or exercise rights which they might otherwise have. The instant record shows that plaintiff was substantially compensated as an aspect of the agreement, and does not persuasively support defendant's claim of duress or that the issues involved in this preliminary injunction proceeding were precluded by any prior decision.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge
lcM. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

RONALD M. SOHIGIAN
Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION FOUR

Civ. No. B 069450
(Super. Ct. No. BC 052395)

CHURCH OF SCIENTOLOGY INTERNATIONAL,

Plaintiff-Respondent

-vs-

GERALD ARMSTRONG,

Defendant-Appellant.

On Appeal From Superior Court Of The State Of California
County of Los Angeles
The Honorable Ronald M. Sohigian

APPELLANT'S OPENING BRIEF

Ford Greene
HUB LAW OFFICES
California State Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

PAUL MORANTZ, ESQ.
P.O. Box 511
Pacific Palisades,
California 90272
(213) 459-4745

Attorneys for Appellant
GERALD ARMSTRONG

COPY

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
STATEMENT OF THE CASE	2
STATEMENT OF APPEALABILITY	3
I. STATEMENT OF FACTS	3
A. Gerald Armstrong, The Scientologist	3
B. Scientology Sues Armstrong The First Time And Loses	6
C. Scientology's Attempt To Frame Michael Flynn	8
D. Scientology's Attempt To Frame Armstrong	9
E. The Settlement	10
F. Scientology's Post Settlement Breaches	13
1. The Corydon "Dead Agent" Pack	13
2. Scientology's Declarations In The Miller Litigation	14
3. Heller's Declaration And Argument In The Corydon Litigation	15
4. Scientology's Complaint Against The IRS	15
5. The Aznaran Litigation	16
G. Armstrong's Post Settlement Breaches	16

LEGAL ARGUMENT

II.	THE INJUNCTION SHOULD BE DISSOLVED	17
A.	STANDARD OF REVIEW	17
1.	Abuse Of Discretion	17
2.	The Constitutionality Of The Contractual Terms Enforced By Injunction Is Susceptible Of De Novo Review	18
B.	The Preliminary Injunction	19
III.	THE ISSUANCE OF AN INJUNCTION IS AN UNCONSTITUTIONAL PRIOR RESTRAINT WHICH IS PREDICATED UPON THE SUPPRESSION OF THE CONTENT OF ARMSTRONG'S SPEECH	20
A.	Enforcement By Injunction Violates Armstrong's First Amendment Rights	20
B.	Enforcement By Injunction Violates The Public's First Amendment Rights	24
C.	Enforcement By Injunction Violates Equal Protection Because It Creates Classes of Litigants Predicated Upon A Classification Based Upon Wealth	26
IV.	THE INJUNCTION IS UNCONSTITUTIONALLY OVERBROAD AND IMPERMISSIBLY VAGUE AND THEREFORE VOID	29
V.	THE INJUNCTION IS VOID SINCE IT IS TOO INDEFINITE AND UNCERTAIN TO BE SPECIFICALLY PERFORMED	31
VI.	SPECIFIC PERFORMANCE DOES NOT LIE INASMUCH AS IT WOULD REQUIRE PROTRACTED SUPERVISION AND DIRECTION OF THE COURT	32
VII.	SINCE THERE IS NO MUTUALITY OF REMEDY, SPECIFIC PERFORMANCE WILL NOT LIE	33

Cohen v. Board of Supervisors	
(1985) 40 Cal.3d 277	
219 CR 467	17, 18
Colautti v. Franklin	
(1979) 439 U.S. 379	
58 L.Ed.2d 596	30
DeJonge v. Oregon	
(1937) 299 U.S. 353	28
Douglas v. California	
(1963) 372 U.S. 353	
9 L.Ed.2d 811	29
Eggleston v. Pantages	
(1918) 103 Wash. 458	
175 P. 34	47
Elrod v. Burns	
(1976) 427 U.S. 347	
49 L.Ed.2d 547	20
First Natinal Bank of Boston v. Bellotti	
(1978) 435 U.S. 765	25
Ford v. Shearson Lehman American Express	
(1986) 180 Cal.App.3d 1011	
255 CR 895	40
Gitlow v. New York	
(1925) 268 U.S. 652	20
Grayned v. City of Rockford	
(1972) 408 U.S. 104	
33 L.Ed.2d 222	30
Gross v. Needham	
(1960) 184 Cal.App.2d 446	
7 CR 664	35
Harding v. Robinson	
(1917) 175 Cal. 534	38
Harlan v. Gladding, McBean & Co.	
(1907) 7 Cal.App. 49	
93 P. 400	34

Harper v. Goldschmidt () 156 Cal. 245 104 P. 451	29, 33
Henderson v. Fisher (1965) 236 Cal.App.2d 468 46 Cal.Rptr. 173	32
Hunter v. Superior Court (1939) 36 Cal.App.2d 100 97 P.2d 492	32
IT Corp v. County of Imperial (1983) 35 Cal.3d 63 196 CR 715	17
Jacklich v. Baer (1943) 57 Cal.App.2d 684 135 P.2d 179, 183	41
Kallen v. Delug (1984) 157 Cal.App.3d 940 203 CR 879	43
Keene v. Harling (1964) 61 Cal.2d 318 38 CR 513	47
Keithley v. Civil Service Board (1970) 11 Cal.App.3d 443 89 CR 809	35
Ketchens v. Reiner (1987) 194 Cal.App.3d 470 239 CR 549	17
Kleindienst v. Mandel (1972) 408 U.S. 753	25
Larwin-Southern Calif. v. JGB Inv. Co. (1979) 101 Cal.App.3d 606 162 Cal.Rptr. 52	33
Lewis v. Fahn (1952) 113 Cal.App.2d 95 247 P.2d 831	35

Lind v. Baker	
(1941) 48 Cal.2d 234	
119 P.2d 806	32
Long Beach Drug Co. v. United Drug Co.	
(1939) 13 Cal.2d 158	
88 P.2d 698	31, 32
Mailand v. Burckle	
(1978) 20 Cal.3d 367	
143 CR 1	47
Main v. Merrill Lynch	
(1977) 67 Cal.App.3d 19	
136 CR 378	40
Mary R. v. B. & R. Corp.	
(1983) 149 Cal.App.3d 308	
196 Cal.Rptr. 871	45
Maryland C. Co. v. Fidelity & Cas. Co. of N.Y.	
() 71 Cal.App. 492	47
Mattei v. Hooper	
(1958) 51 Cal.2d 119	
330 P.2d 625	33
McFate v. Bank of America	
(1932) 125 Cal.App. 683	
14 P.2d 146	40
Morey v. Paladini	
(1922) 187 Cal. 727	47
Nebraska Press Association v. Stuart	
(1976) 427 U.S. 539	20
New Era Publications International v.	
Henry Holt and Company, Inc.	
(1988 S.D.N.Y.) 695 F.Supp. 1493	24
New York Times v. Sullivan	
(1964) 376 U.S. 254	24
North Coast Coalition v. Woods	
(1980) 110 Cal.App.3d 800	
168 CR 95	18
Okun v. Morton	
(1988) 203 Cal.App.3d 805	
250 CR 220	18

Organization For A Better Austin v. Keefe	
(1971) 402 U.S. 415	20
Ortiz v. Woods	
(1982) 129 Cal.App.3d 672	
181 CR 209	18
Owens v. Haslett	
(1950) 98 Cal.App.2d 829	
221 P.2d 252	46
Palos Verdes Shores Mobile Estates, Ltd.	
v. City of Los Angeles	
(1983) 142 Cal.App.3d 362	
190 CR 866	18
Papachristou v. City of Jacksonville	
(1972) 405 U.S. 156	
31 L.Ed.2d 110;	30
Parsons v. Bristol Development Co.	
(1965) 62 Cal.2d 861	
44 CR 767	18
People v. Hadley	
(1967) 257 Cal.App.2d Supp. 871	
64 CR 777	43
Police Department v. Mosley	
(1972) 408 U.S. 92	23, 27, 28
Quan v. Kraseman	
(1948) 84 Cal.App.2d 550	
191 P.2d 16	42
Red Lion Broadcasting v. F.C.C.	
(1969) 395 U.S. 367	24, 25
Russell v. Soldinger	
(1976) 59 Cal.App.3d 633	
131 CR 145	43
SCLC v. Al Malaikah Auditorium Co.	
(1991) 230 Cal.App.3d 207	
281 CR 216	18
Severance v. Knight-Counihan Co.	
(1947) 29 Cal.2d 561	
177 P.2d 4	47
Shelley v. Kraemer	
(1918) 334 U.S. 1	17

Sistrom v. Anderson	
(1942) 51 Cal.App.2d 213	
124 P.2d 372	34, 35
Smith v. Bach	
() 183 Cal. 259	47
Steffen v. Refrigeration Discount Corp.	
(1949) 91 Cal.App.2d 494	
205 P.2d 727	34
Tamarind Lithography Workshop v. Sanders	
(1983) 143 Cal.App.3d 571	
193 Cal.Rptr. 409	32
Tappan v. Albany Brewing Co.	
() 80 Cal. 570	45
Thayer Plymouth Center, Inc. v. Chrysler Motors Corp.	
(1967) 255 Cal.App.2d 300	
63 Cal.Rptr. 148	32, 41
Thornhill v. State of Alabama	
(1940) 310 U.S. 88	24
Tiedje v. Aluminium Paper Milling Co.	
(1956) 46 Cal.2d 450	
296 P.2d 554	46
United States v. Heldt	
(1981) 668 F.2d 1238	
cert. denied (1982) 102 S.Ct. 1971	5, 21
United States v. Kattar	
(5th Cir. 1988) 840 F.2d 118	9
Wells v. Zenz	
(1927) 83 Cal.App. 137	
256 P. 484	38
Whipple Quarry Co. v. L.C. Smith Co.	
(1952) 114 Cal.App.2d 214	
P.2d 854, 855	32
Williamson & Vollmer Engineering v. Sequoia Ins. Co.	
(1976) 64 Cal.App.3d 261	
148 CR 39	38, 44
Wolfe v. Severns	
(1930) 109 Cal.App. 476	
293 P. 156	38

Statutes

Business and Professions Code section 16600	40
Civil Code section 1572 (3);	38
Civil Code section 1569	34
Civil Code section 1573	39, 40
Civil Code section 1595	43
Civil Code section 1596	43, 45
Civil Code section 1607	43
Civil Code section 1608	43
Civil Code section 1667	43
Civil Code section 3390	31
Civil Code section 3391	41
Civil Code section 3391	*
Civil Code section 1550	45
Civil Code section 1598	45
Civil Code section 1668	45
Code of Civil Procedure section 904.1 (f)	3
Penal Code section 136.1	47

Other Authorities

Rule of Professional Conduct 1-500 (A)	39
1 Witkin, Summary of California Law § 393	38
Miller, Bare-Faced Messiah (1987 Penguin Books)	23
Restatement 2d, Contracts	40
Rules of Professional Conduct, Rule 5-102	36
Witkin, Contract,	

Witkin, Summary of California Law

(9th Ed. 1987) Vol. 1, Contracts, § 429		47
§ 441		46
§ 611		45

IN THE COURT OF APPEAL FOR THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT, DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL,	)	
	)	
Plaintiff and Respondent,	)	[Los Angeles Superior
	)	Court No. BC 052395]
vs.	)	
	)	
GERALD ARMSTRONG,	)	
	)	
Defendant and Appellant.	)	
	)	
	)	

APPELLANT'S OPENING BRIEF

INTRODUCTION

Appellant Gerald Armstrong appeals the issuance of a preliminary injunction by the Honorable Ronald M. Sohigian of the Los Angeles Superior Court in favor of respondent Church of Scientology International ("Scientology").

Despite the fact that the trial court granted very little of the injunctive relief Scientology sought, for the reasons stated below the injunction is illegal.

The settlement agreement the injunction in part enforces was procured by fraud, duress and the compromise of appellant's own attorney who also represented well over a dozen signing plaintiffs in the same "global settlement." None were represented by independent counsel. Flynn, who himself was a plaintiff, gained the most by the settlement, and at no time advised Armstrong that pursuant to the terms of the settlement Scientology could say whatever slander it wanted about Armstrong while he had to remain mute.

The injunction violates Armstrong's First Amendment Rights

to Freedom of Speech and Association and is a violation of Fourteenth Amendment Right to Equal Protection as it creates two classes of litigants. Those who have the money can buy Armstrong's testimony because he can only testify when compelled by Court Order. Those who cannot pay for Court Orders must go without the foremost expert on Scientology in the world.

It is Armstrong's special first-hand knowledge of a criminal organization that has been judicially suppressed through the mechanism of a preliminary injunction at issue here. Scientology would hold Armstrong silent while it slanders him - making him a "dead agent" - with impunity in order to further foist distortion and misrepresentation upon the world.

The injunction deprives the public of expert information and competent testimony an organization long-recognized as criminal, that preys on the weak, lost and lonely.

The injunction undermines the integrity of the judicial system and is an affront to honesty and fair play.

STATEMENT OF THE CASE

On February 4, 1992, Scientology filed its verified complaint for damages and for preliminary and permanent injunction against defendant Gerald Armstrong in Marin County Superior Court Action No. 152229. On March 30, 1992 the Marin court granted Armstrong's motion to transfer to the Los Angeles County Superior Court where it became Action No. BC 052395. During the pendency of Scientology's motion for injunctive relief, and in order to maintain the status quo, but specifically stating there was no adjudication on the merits, the Marin Court granted a temporary restraining order (16) ¹/ which was ultimately dissolved in Los Angeles.

On May 7, 1992, Scientology filed its Amended Memorandum of

¹ All citations designated (____) are to the particular sequential page number of the Appendix Filed In Lieu Of Clerk's Transcript pursuant to California Rule of Court 5.1.

Points and Authorities in Support of Plaintiff's Motion for Preliminary Injunction for Breach of Contract (1-29), and Armstrong filed his Opposition to Motion for Preliminary Injunction. (30-50) Scientology replied on May 20, 1992. (51-63) The matter was heard on May 26 and 27, 1992 by the Honorable Ronald M. Sohigian (RT 5/26/92 and 1594-1713) who issued a preliminary injunction by his minute order dated May 28, 1992. (1714-17) Notice of ruling was given on June 5, 1992 in conjunction with the posting of a \$70,000.00 bond. (1718-27)

Armstrong's Notice of Appeal was timely filed on July 30, 1992. (1728-30)

STATEMENT OF APPEALABILITY

Since this matter involves the granting of an injunction, it is the proper subject of an appeal. Code of Civil Procedure section 904.1 (f).

I. STATEMENT OF FACTS

A. Gerald Armstrong, The Scientologist

In consequence of being a member of the Scientology Organization for 12 years, Gerald Armstrong gained first-hand knowledge regarding both the nature of the organization and the methods of its day-to-day operations. Although Armstrong ultimately learned, that L. Ron Hubbard ("LRH") was "virtually a pathological liar when it [came] to his history, background, and achievements" (474-75, 485-89, 1004, 1008-14), at the outset of his involvement it was Hubbard's lies which induced his affiliation. (1004-08, 1067)

Armstrong learned that after inducing the affiliation of its members by various deceptions, Scientology continually "violat[ed] and abus[ed] its own members' civil rights, . . . with its "Fair Game" doctrine [and] harass[ed] and abuse[ed] those persons not in the Church whom it perceive[d] as enemies." (474) The "Fair Game Policy," a part of Scientology's system of discipline and punishment, states:

"Enemy - SP (Suppressive Person) Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

(1036-1037)

Scientology also abused its members' civil rights through breaching its promises that the personal information it extracted from adherents through "auditing"² would be kept confidential. Instead, it used such information for the purposes of domination, extortion and blackmail. (734-74, 1039-41) Auditing was also employed to eliminate the members' ability to critically reason, (1038, 1081), despite Scientology's public claim that its purpose was to free individuals. (1086)

Armstrong possesses first-hand information regarding the visible structure of Scientology, and how the leadership ran Scientology through internal organizations, such as the Guardian's Office, the Sea Organization and the Commodore's Messenger Organization, which managed, operated and controlled all of Scientology regardless of any particular corporate designation. (475, 997, 1023-30, 1045-46). He knew that LRH's representation to the general public and the Scientology membership that "the fees you pay for service do not go to me" was false and that LRH lived in splendor while the organization staff lived like slaves. (1032-34)

Armstrong participated in and drilled hundreds of people in

² During the process of "auditing" in Scientology, a person being "audited," a "penitent," communicates to the clergyman, counselor, or therapist, the "auditor," his innermost thoughts and relates incidents from his life which are emotionally charged, embarrassing or for which he could be blackmailed. The auditor writes down what the penitent says in "auditing reports." The auditor demands and records details such as time and place when an incident occurred, who was present, who knew about the incident, their relationship to the penitent and their address or general location. These "auditing reports" form, along with the auditor's notes and instructions made after the auditing sessions, the penitent's auditing files. (1081)

institutionalized schemes of practiced deception called "shore stories" or "acceptable truths," which LRH claimed were required to combat the "enemy." (1051, 1016-19, 787-88)

Armstrong was assigned to the Intelligence Bureau of the Guardian's Office ³/ headed by LRH and his wife and then posted as LRH's communications aide. (996) During this time he coded and decoded Guardian's Office telexes, and maintained LRH's operations files including those which ordered infiltration of the federal, state and local government offices, and the theft of documents. Armstrong also handled LRH's telexes and dispatches ordering corporate manipulations which showed an absence of corporate integrity among the Scientology organizations. (1045-46)

LRH ordered Armstrong and his wife into the Rehabilitation Project Force ("RPF"), which was "a virtual prison Hubbard had created for any Sea Org members whom he considered to be in violation of or 'counter-intention' ("CI") to his orders or policies." (997; 738; 1048-49) The purpose of the RPF was to control members, who were physically held and not free to leave, break their will and obtain free labor. (740, 1050) Armstrong was imprisoned within the RPF for 17 months on one occasion and 8 months on a second. (739, 997, 999, 1048)

Armstrong personally participated in the massive destruction of evidence ordered in anticipation of a raid by the F.B.I. during which he came across LRH's life archive. (480-81, 485-86, 1000-01) Throughout 1980 and 1981, Armstrong assembled an

³ "The Guardian's Office is charged with the protection of Scientology. The Guardians handle intelligence matters including covert operations to acquire Government documents critical of Scientology, internal security within Scientology, and covert operations to discredit and remove from positions of power all persons whom Scientology considers to be its enemies." United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971. The Guardian's Office executed tremendous control throughout all of Scientology, and until 1981, was the most powerful of LRH's two main control lines. (1023-28)

archive of 500,000 pages of documentation of LRH's life, writings and accomplishments. (1003) In October 1980, LRH contracted with an independent author, Omar V. Garrison, to write his biography. (1004) Armstrong became Garrison's "research assistant." (1004; 483-85)

During his biographical research, Armstrong discovered that LRH and Scientology had continuously lied about LRH's past, credentials and his accomplishments. (486, 1008-14) As the wide gap between LRH's claims about himself and the reality evidenced by the documentation Armstrong had assembled became manifest, he attempted to convince Scientology executives to change the biographical materials being published and disseminated about LRH so that they would be truthful. (1004; 486-87)

In response to Armstrong's requests that Scientology tell the truth about Hubbard, a leader ordered that Armstrong be "security checked. (487) Sec checking is a brutally accusative interrogation in which the E-Meter, the electrometer used in Scientology auditing, is employed as a lie detector and tool of intimidation. Upon learning that his sec checking had been ordered, Armstrong and Jocelyn, his wife, left Scientology. (1015)

Following Armstrong's departure, Scientology sued him, and hired private investigators who assaulted him, ran into him bodily with a car, attempted to involve him in a freeway accident, and followed and harassed him day and night for over one month. Scientology made four attempts to bring false criminal charges against him, destroyed his marriage, used his best friend to set him up in an intelligence operation, and had its members, lawyers and private investigators make false statements against him. (1053, 492-93)

B. Scientology Sues Armstrong The First Time And Loses

On August 2, 1982, Scientology sued Armstrong in L.A.S.C. No C420153 ("Armstrong I") for conversion of certain papers which he had archived as part of the Hubbard biography project. After a

lengthy trial, Judge Paul G. Breckenridge, Jr., filed his Memorandum of Intended Decision in Armstrong's favor on June 22, 1984. (467) Rejecting Scientology's effort to silence Armstrong and his counsel, (see 1202-1226), he stated:

Defendant and his counsel are free to speak and communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. . . . defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such documents or materials, without violating any order of this court.

(469) Judge Breckenridge found the facts presented by Armstrong to be true and incorporated Armstrong's trial brief as an appendix to its decision. (470) He characterized Scientology as malevolent, in part because the organization "or its minions is fully capable of intimidation [of witnesses, including Armstrong] or other physical or psychological abuse if it suits their ends" (474), and provided the following factual findings:

In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract a maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect." [footnote omitted] From the evidence presented to this court in 1984, at the very least, similar conclusions can be drawn.

In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L.

Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.

(Emphasis added.) (474)

In contrast to his findings regarding Scientology, Judge Breckenridge found Armstrong and his witnesses to be credible and sympathetic. He wrote:

As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Homer Schomer to be credible, extremely persuasive and the defense of privilege or justification established and corroborated by this evidence . . . In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved [with the highest echelons of power in] the Scientology Organization, is on one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH [L. Ron. Hubbard], and his ideas. Each has manifested a waste and loss or frustration which is incapable of description.

(Emphasis added.) (473)

C. Scientology's Attempt To Frame Michael Flynn ⁴/

Within four months of Judge Breckenridge's decision, Scientology engaged in a massive "black PR" campaign against Michael Flynn which included the following operation:

The recent efforts of Hubbard and his Organization include procurement through the payment of \$25,000 to an individual currently under indictment for perjury and fraud, of an affidavit claiming that I assisted in the forgery of a two million dollar check belonging to L. Ron Hubbard. The affidavit was procured by one Eugene Ingram who has been removed from the Los Angeles

⁴ This section is based upon the Declarations of Michael J. Flynn, Armstrong's attorney. The Court should note that said declarations, however, were excluded from evidence. The trial court was incorrect however, because said declaration were based upon the personal knowledge of Flynn.

Police Department for aiding narcotics dealers, pimping, and running a house of prostitution. Mr. Ingram procured the affidavit from a citizen of the United Arab Emirates after publicizing a \$100,000 reward in full page advertisements in the Boston Globe, the New York Times, and other newspapers.

(1183-84) The foregoing facts were found to be accurate in the reported decision, United States v. Kattar (5th Cir. 1988) 840 F.2d 118, 119-22.

D. Scientology's Attempt To Frame Armstrong

In 1984, after the Breckenridge decision, Scientology also attempted to set up and frame Armstrong, to "dead agent" him. As stated by Scientology in the Miller, Aznaran, and Xanthos litigation (discussed infra.)

Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity.

(1546-50; see also (1320). He had been

"plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership:

Armstrong: They can allege it. They can allege it. They don't even have -- they can allege it.

RINDER: So they don't even have to -- like -- they don't have to have the documents sitting in front of them and then --

Armstrong: Fucking say the organization destroys documents. . . . Where are the -- we don't have to prove a goddamn thing. We don't have to prove shit; we just have to allege it.

(Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

The "written permission from law enforcement" was fraudulent and made without authority. The bogus document was dated November 7, 1984 on the letterhead of Eugene Ingram. (1572)

By public announcement, Los Angeles Chief of Police, Daryl F. Gates, repudiated the "written permission." In part, Chief Gates stated:

I have directed an official letter to Ingram informing him that the letter signed by Officer Phillip Rodriguez dated November 7, 1984, and all other letters of purported authorizations directed to him, signed by any member of the Los Angeles Police Department, are invalid and unauthorized.

(1574)

Scientology's allegations against Armstrong were thoroughly investigated by the Los Angeles County District Attorney's Office and completely and soundly rejected. (1576-87)

E. The Settlement

In the Armstrong I litigation, on both the complaint and cross-complaint, Armstrong was represented by Boston attorney Michael J. Flynn, who also was Armstrong's employer. (665) In early December 1986, an agreement was reached in Los Angeles by the Scientology Organization and Flynn to settle most of the cases in which Flynn was involved, either as counsel, or as a party. On December 5, 1986, Armstrong, along with nearly a score of other litigants adverse to Scientology - all of whom were represented by Flynn - was flown to Los Angeles to participate in a "global settlement." (667) When Armstrong arrived in Los Angeles from Boston, he knew that settlement negotiations had been going on for months. (762) Upon Armstrong's arrival, he was shown a copy of a document entitled "Mutual Release of All Claims and Settlement Agreement" for the first time, as well as some other documents that he was expected to sign.

When Armstrong read the settlement agreement, he was shocked

and heartsick. The agreement betrayed everything that Armstrong had stood for in his battle opposing Scientology. (760) He told Flynn that the condition, set forth in settlement agreement ¶ 7-D, of "strict confidentiality and silence with respect to his experiences with the [Scientology organization]" was outrageous and not capable of compliance because it involved over 17 years of his life. Armstrong told Flynn that ¶ 7-D would require him to pay \$50,000 if he told a doctor or a psychologist about his experiences over those 17 years, or if he put on a job resume the positions he had held while in Scientology. He told Flynn that the requirements of non-amenability to service of process in ¶ 7-H and non-cooperation with persons or organizations adverse to the organization in ¶¶ 7-G and 10 were obstructive of justice. Armstrong told Flynn that agreeing in ¶ 4-B to allow Scientology's appeal of Judge Breckenridge's decision in Armstrong I to continue without opposition was unfair to the courts and all the people who had been helped by the decision. Armstrong said to Flynn the affidavit that Scientology demanded he sign along with the settlement agreement was false. (668, 759)

Right after Armstrong first saw the document, he was told there were a number of other people with claims against Scientology who had already signed and others were being flown in to sign. (762) Flynn told Armstrong that he, and all the other lawyers, wanted to get out of the litigation because it had ruined his marriage and his wife's health. Flynn told Armstrong that all the other witnesses upon whom later he would have to depend wanted to settle, too.

In Flynn's presence, Eddie Walters, another litigant adverse to Scientology, yelled at Armstrong. Walters said everybody wanted out of the litigation, that Armstrong's objections would kill the deal for all of the them, and that Armstrong's objections didn't matter because the settlement was bigger than he was. (762-63) Flynn did not stick up for Armstrong. (764)

Flynn told Armstrong if he did not sign all he had to look forward to would be more years of threats, harassment and misery from Scientology, and everybody else would be very upset. Flynn advised Armstrong that the conditions of the settlement which he found offensive "were not worth the paper they were printed on" and that Scientology's lawyers were aware of Flynn's legal opinion and, nonetheless, wanted such language included. (759) Flynn advised Armstrong that in the event that there was further litigation against Armstrong by Scientology, Flynn would still be there to defend him. (768) Armstrong felt "a great deal" of pressure to sign the agreement, and capitulated. (761, 765-66, 772; 670-71)

It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672)

On December 11, 1986, Flynn and Scientology attorneys John G. Peterson, Michael Lee Hertzberg and Lawrence E. Heller appeared, ex parte, before Judge Breckenridge, announced that they had settled Armstrong's Cross-Complaint in Armstrong I (458), and submitted a number of documents for filing. (1235-36, 1238, 1240-41, 1243-45, 1247-49, 1251.) Despite its promises, Scientology never did file the settlement agreement. (1258)

When Judge Breckenridge inquired whether the agreement impacted the appeal of his decision, the attorneys said that the agreement did not (458), despite Paragraphs 4-A and 4-B. (75-76) None of the attorneys advised Judge Breckenridge of their side stipulation that any retrial of Armstrong I ordered by the Court of Appeal would limit damages claimed by Scientology to \$25,001, (1253) ⁵/ and they failed to advise him there was another side

⁵ Said stipulation, signed by Michael Flynn on Armstrong's behalf and by John Peterson and Michael Hertzberg for Scientology and Mary Sue Hubbard, states: "The Church of Scientology of California, Mary Sue Hubbard, and Gerald

agreement between Flynn and Scientology attorneys Cooley and Heller whereby they agreed to indemnify Flynn if the Court of Appeal reversed Armstrong I and they retried the case and won. (1255-56)

Moreover, prior to and at the time of the settlement Armstrong was not aware of the side agreements between his lawyers and the lawyers for the organization that considered Gerald Armstrong as their enemy! (712-13, 715; 771-72)

On December 18, 1986, the Court of Appeal dismissed appeal No. B005912 as premature because Armstrong's cross-complaint remained to be tried. (1260-73) ⁶/

On January 30, 1987, Scientology filed an Unopposed Motion to Withdraw Memorandum of Intended Decision in Armstrong I. (1279-83) which Judge Breckenridge denied. (1285) Scientology then filed its second appeal in Armstrong I. (1287) On July 29, 1991, the Court of Appeal affirmed Judge Breckenridge's decision. Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060, 283 Cal.Rptr. 917.

F. Scientology's Post Settlement Breaches

1. The Corydon "Dead Agent" Pack

In 1987, less than one year after the agreement was signed,

Armstrong, by and through their undersigned counsel, hereby stipulate that in any retrial ordered by any appellate court in Church of Scientology of California v. Gerald Armstrong, LASC No. 420153, the total damages awarded to the Plaintiff Church of Scientology of California and Plaintiff in Intervention Mary Sue Hubbard, combined for any and all causes of action, shall not exceed twenty five thousand and one dollars (\$25,001.00)."

⁶ The Court of Appeal would not have been advised of the resolution of the underlying Cross-Complaint in Armstrong I - on the existence of which it based its order of dismissal of the appeal - because the fate of said appeal was the subject of Paragraphs 4-A and 4-B of the secret agreement.

Scientology distributed a "dead agent" 1/ pack which included an attack on Armstrong. It stated:

"Corydon has used a description of the RPF provided by Gerry Armstrong, among others. Armstrong's description in this book, however, is completely contrary to his own previous sworn affidavit about the RPF. (Gerry Armstrong's description of the RPF in Corydon's book can also be viewed in light of Armstrong's numerous false claims and lies on other subject matters.)"

(1504) (Emphasis added.)

2. Scientology's Declarations In The Miller Litigation

In October, 1987, Scientology representative Kenneth Long executed five affidavits in Church of Scientology of California v. Miller, High Court of Justice, Chancery Division, No. 1987 C. No. 6140, wherein Long solely discussed his characterizations of Armstrong's activities that had been at issue in the Armstrong I litigation, and thus included within the scope of the settlement agreement. (See Appendix pp. 1506-23; 1525-44; 1546-50, 1555-62, 1564-70)

Long's third affidavit falsely charged that:

Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity. (1549)

In another affidavit filed in the Miller case on October 5, 1987, Sheila M. Chaleff also falsely stated:

Mr. Armstrong is known to me to be a US government informant who has admitted on video tape that he intended to plant

⁷ "A 'dead agent' is a concept created by Hubbard in which an agent who is supposedly spreading stories about you, a lie, an untruth in his story is found. And that is documented. [¶] And then that documented fact is circulated to all of the people to whom the agent has communicated, and then he will become essentially dead, he will be killed by those people who have earlier trusted him. So you've destroyed his credibility and as an agent he is dead. [¶] And this pack of materials was a dead agent pack put out to dead agent Bent Corydon. Bent Corydon had written a book about Hubbard, and this is a pack of materials to discredit Bent Corydon." (791)

forged documents within the Church of Scientology and then using the contents to get the Church raided where these forged documents would be found and used against the Church.

(1553)

3. Heller's Declaration And Argument In The Corydon Litigation

On or about November 1, 1989, in the case entitled Corydon v. Church of Scientology International, Inc., et al., LASC No. C694401, Scientology attorney Lawrence E. Heller filed a Notice of Motion and Motion of Defendant Author Services, Inc. to Delay or Prevent the Taking of Certain Third Party Depositions by Plaintiff. (1294-1305) In his memorandum, Heller discussed the "block settlement" of which the Armstrong agreement was a part:

One of the key ingredients to completing these settlements, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology ... staff member's experiences within ... Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members ...; and (3) the terms and conditions of the settlements themselves. Peace has reigned since the time the interested parties entered into the settlements, all parties having exercised good faith in carrying out the terms of the settlement, including the obligations of confidentiality. [Original emphasis.]

(1297) In his sworn declaration, attorney Heller testified:

I was personally involved in the settlements which are referred to in these moving papers which transpired some two and one-half years ago. . . . a "universal settlement" was ultimately entered into between the numerous parties. The universal settlement provided for non-disclosure of all facts underlying the litigation as well as non-disclosure of the terms of the settlements themselves. The non-disclosure obligations were a key part of the settlement agreements insisted upon by all parties involved. [Original emphasis.]

(1301-02)

4. Scientology's Complaint Against The IRS

On August 12, 1991, Scientology filed a complaint styled Church of Scientology International v. Xanthos, et al., in United States District Court, Central District of California, No. 91-4301-SVW(Tx). (1307-47) Therein, Scientology stated:

The infiltration of [Scientology] was planned as an undercover operation by the LA CID along with former [Scientology] member Gerald Armstrong, who planned to seed [Scientology] files with forged documents which the IRS could then seize in a raid. The CID actually planned to assist Armstrong in taking over the [Scientology] hierarchy which would then turn over all [Scientology] documents to the IRS for their investigation.

(1320)

5. The Aznaran Litigation

On or about August 26, 1991, Scientology filed its Supplemental Memorandum in Support of Defendants' Motion to Dismiss Complaint with Prejudice in Aznaran v. Church of Scientology of California, et al. United States District Court, Central District of California, No. CV-88-1786-JMI(Ex). (1349-59) Therein, a Scientology attorney stated that in 1984 Armstrong was

"plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership

(Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

Armstrong was cleared by the Los Angeles District Attorney after a thorough - and Scientology generated - investigation.

(1576-87)

G. Armstrong's Post Settlement Breaches

Scientology's position at the hearing below was that Armstrong violated paragraphs 7-G and 7-H of the settlement

agreement. (81-82) The violations were predicated upon the facts that Armstrong had worked for two days in the office of Joseph A. Yanny and had executed two declarations to be filed in the Aznaran case (122-23; 128; 136-38), had later executed a declaration on Yanny's behalf that was filed in Religious Technology Center v. Yanny, LASC No. BC 033035, (124-34), and had worked as a paralegal for Ford Greene in the Aznaran case (143-45; 159-64; 169) in which Armstrong filed another declaration on the Aznarans' behalf. (147-57; RT 5/27/92 at 47)

LEGAL ARGUMENT

II. THE INJUNCTION SHOULD BE DISSOLVED

A. STANDARD OF REVIEW

1. Abuse Of Discretion

"'[T]rial courts should evaluate two interrelated factors when deciding whether or not to issue a preliminary injunction. The first is the likelihood that the plaintiff will prevail on the merits at trial. The second is the interim harm that plaintiff is likely to sustain if the injunction were denied as compared to the harm that the defendant is likely to suffer if the preliminary injunction were issued. [Citations.]' (IT Corp v. County of Imperial (1983) 35 Cal.3d 63, 69-70.) 'On appeal, the question becomes whether the trial court abused its discretion in ruling on both factors.' (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286-87.)"

Ketchens v. Reiner (1987) 194 Cal.App.3d 470, 474.

Just as when a claim involves a facial attack on the constitutionality of an ordinance enforced by an injunction, the reviewing court's consideration of whether the trial court abused its discretion as to the likelihood of the plaintiff's prevailing on the merits can invoke a determination of the constitutionality of the contractual provisions injunctively enforced. Id.

"The action of the state courts and of judicial officers in their official capacities is to be regarded as action of the State within the meaning of the Fourteenth Amendment." Shelley v. Kraemer (1918) 334 U.S. 1, 13. Included within the scope of state action is that which abrogates First Amendment rights. Id.

at 17.

Indeed, the appellate court can proceed to determine the merits of a facial constitutional attack without analyzing whether the trial court abused its discretion under the traditional two-part test. Cohen, supra, 40 Cal.3d at 287; Palos Verdes Shores Mobile Estates, Ltd. v. City of Los Angeles (1983) 142 Cal.App.3d 362, 368; Ortiz v. Woods (1982) 129 Cal.App.3d 672, 676; North Coast Coalition v. Woods (1980) 110 Cal.App.3d 800, 804-05. As Justice Ashby has explained:

Occasionally, however, the likelihood of prevailing on the merits depends upon a question of pure law rather than upon evidence to be introduced at a subsequent full trial . . . If such a question of pure law is presented, it can sometimes be determinative over the other factor, for example, when the defendant shows that the plaintiff's interpretation is wrong as a matter of law and thus the plaintiff has no possibility of success on the merits.

Bullock v. City & County of San Francisco (1990) 221 Cal.App.3d 1072, 1094.

As will be seen below, based upon the facts set forth above, the case at bar can be resolved in this court on its merits.

2. The Constitutionality Of The Contractual Terms Enforced By Injunction Is Susceptible Of De Novo Review

The interpretation of a written document is a question of law, not of fact. In the absence of conflicting evidence, a reviewing court must independently interpret the written instrument. Parsons v. Bristol Development Co. (1965) 62 Cal.2d 861, 866. Thus, the interpretation of a written instrument presents a question of law to be decided de novo by an appellate court. Broffman v. Newman (1989) 213 Cal.App.3d 252, 257.

"Even where extrinsic evidence was offered in the trial court, a reviewing court is not bound by the trial court's findings if the extrinsic evidence is not in conflict, is not substantial, or is inconsistent with the only interpretation to which the instrument is reasonably susceptible."

Okun v. Morton (1988) 203 Cal.App.3d 805; SCLC v. Al Malaikah

Auditorium Co. (1991) 230 Cal.App.3d 207, 219.

Since, below, Armstrong did not contest his actions which Scientology claimed were breaches of the settlement agreement, and since Scientology did not contest the truth of Armstrong's characterizations of its actions or those of Armstrong's former counsel, Michael Flynn, there is no conflicting evidence. Thus, this case is susceptible of de novo review.

B. The Preliminary Injunction

Judge Sohigian ordered the preliminary injunction as follows:

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from : (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order." (1715)

III. THE ISSUANCE OF AN INJUNCTION IS AN UNCONSTITUTIONAL PRIOR RESTRAINT WHICH IS PREDICATED UPON THE SUPPRESSION OF THE CONTENT OF ARMSTRONG'S SPEECH

A. Enforcement By Injunction Violates Armstrong's First Amendment Rights

The First Amendment right to free speech is applicable to the states through the Fourteenth Amendment. Gitlow v. New York (1925) 268 U.S. 652, 666. The U.S. Supreme Court has stated that "Prior restraints on speech and publication are the least tolerable infringement on First Amendment rights." Nebraska Press Association v. Stuart (1976) 427 U.S. 539, 559. Thus, "The loss of First Amendment freedoms, for even minimal periods of time, unquestionably constitutes irreparable injury." Elrod v. Burns (1976) 427 U.S. 347, 373-74, 49 L.Ed.2d 547; C.B.S., Inc. v. U.S. District Court (9th Cir. 1984) 729 F.2d 1174, 1177. An injury is irreparable only if it cannot be undone through monetary remedies. Cate v. Oldham (11th Cir. 1983) 707 F.2d 1176, 1189. "Under our constitutional system prior restraints, if permissible at all, are permissible only in the most extraordinary of circumstances." C.B.S., 729 F.2d at 1183. Therefore, prior restraint on expression comes with a "heavy presumption" against constitutional validity. Organization For A Better Austin v. Keefe (1971) 402 U.S. 415, 419. In addition, the Supreme Court's "decisions involving associational freedoms establish that the right of association is a 'basic constitutional freedom' [citation] that is 'closely allied to freedom of speech and a right which, like free speech, lies at the foundation of a free society.'" Buckley v. Valeo (1976) 424 U.S. 1, 25.

The effect of the injunction issued below is to prevent Armstrong both from freely speaking with the class of people who have been injured and harmed by Scientology, as well as associating with them. Under the same principles employed by Judge Sohigian a rape victim could be enjoined from associating and communicating with other rape victims because she signed a

gag agreement with her attacker. It makes no sense that a criminal organization ^{8/} can buy the silence of its victims and then use the power of the judiciary to enforce it.

Even where individuals have entered into express agreements not to disclose certain information, either by consent agreement [citation]; or by an employment contract and secrecy oath [citation], the courts have held that judicial orders enforcing such agreements are prior restraints implicating First Amendment rights.

In Re Halkin (D.C. Cir. 1979) 598 F.2d 176, 190.

Professor Melville B. Nimmer, in Freedom of Speech: A Treatise on the First Amendment (1984) put the value of freedom of speech and thought as follows:

But it is not just the search for political truth for which freedom of speech is a necessary condition. The search for all forms of "truth," which is to say the search for all aspects of knowledge and the formulation of enlightened opinion on all subjects is dependent upon open channels of communication. Unless one is exposed to all the data on a given subject it is not possible to make an informed judgement as to which "facts" and which views deserve to be accepted. If any governmental body, be it a legislative body, a censorship board, the police department or a court of law, decides that the public should not have access to some of the data on any given topic because the communication of such data will prove injurious in some manner, to that extent the public's ability to make an informed judgement on such topic is crippled by a distortion of the data before it.

M.B. Nimmer, Freedom of Speech: A Treatise on the First Amendment (1984) § 1.02[A] p. 1-7.

It is precisely such a distortion as identified by Professor Nimmer that the injunction has engendered by the enforcement of the settlement agreement. Ironically, the trial court realized that the injunction dealt with the suppression of the content of Armstrong's speech.

⁸ See, United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971; and Appendix pp. 492-93, 738-40, 996-97, 1000-01, 1045-46.

. . . The information that's being suppressed in this case, however, is information about extremely blame-worthy behavior of the plaintiff which nobody owns; it is information having to do with the behavior of a high degree of offensiveness and behavior which is meritorious in the extreme.

It involves abusing people who are weak. It involves taking advantage of people who for one reason or another get themselves enmeshed in this extremist view in a way that makes them unable to resist it apparently. It involves using techniques of coercion.

(1700)

Judge Sohigian recognized, moreover, that in addition to being malevolent, Scientology also acts dishonestly:

There appears to be in the history of their behavior a very, very substantial deviation between their conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior. They're just way off in a different firmament . . . They're the kind of -- it's the kind of behavior which makes you sort of be sure you cut the deck and be sure you've counted all the cards. If you're having a friendly poker game you'd make sure to count all the chips before you dealt any cards.

(1701)

The injunction at issue prohibits Armstrong from exercising his right to speak on the basis of content, that is, unless Armstrong is subpoenaed, he may not speak on the subject of Scientology or L. Ron Hubbard. Such content control is, however, anathema to our constitutional scheme. It allows an organization which abuses "people who are weak" by the employment of "techniques of coercion" to silence one of the most effective and knowledgeable individuals able to articulate how Scientology affects individuals "in a way that makes them unable to resist it apparently."

[A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, or its content. [Citations.] To permit the continued building of our politics and culture, and to assure self-fulfillment for each individual, our people are guaranteed the right to express any thought, free from

government censorship. The essence of this forbidden censorship is content control. Any restriction of expressive activity because of its content would completely undercut the 'profound national commitment to the principle that debate on public issues should be uninhibited, robust and wide-open. [Citation.]

Police Department v. Mosley (1972) 408 U.S. 92, 96.

The injunction enforcing Scientology's settlement provisions is the most blatant form of content control. In light of the evidence before the trial court, it is clear that the public has a substantial interest in learning the truth about Scientology from Gerald Armstrong.

Indeed, in the litigation in America concerning Russell Miller's book, Bare-Faced Messiah (1987 Penguin Books) ⁹/ Judge Leval wrote:

Hubbard is unquestionably a figure of legitimate public concern. As the founder of a religion drawing vast numbers of adherents, as the author of instructive books which have sold millions of copies, and as a figure who at times in his life sought a high degree of publicity and at other times sought seclusion and secrecy, he is a subject of great public interest. If it is arguable (which I do not judge)

⁹ Not only was Bare-Faced Messiah the litigation in which the Long Affidavits were filed concerning Armstrong (1506-70), the preface of the book was dedicated almost entirely to Armstrong who is quoted as saying:

"I realized I had been drawn into Scientology by a web of lies, by Machiavellian mental control techniques and by fear. The betrayal of trust began with Hubbard's lies about himself. His life was a continuing pattern of fraudulent business practices, tax evasion, flight from creditors and hiding from the law. He was a mixture of Adolf Hitler, Charlie Chaplin and Baron Munchausen. In short, he was a con man."

Bare-Faced Messiah, at pp. 5-6. This man is now silenced by an injunction which allows Scientology to say what it wants when it wants regarding him in all its litigations while he can only respond if subpoenaed to testify, or face contempt and possible jailing. (The court is requested to take judicial notice of the fact that an OSC re Contempt is currently set for hearing below on February 16, 1993.)

that his career and the Scientology religion have been advanced through deception, this is certainly a subject appropriate for critical exploration.

New Era Publications International v. Henry Holt and Company, Inc. (1988 S.D.N.Y.) 695 F.Supp. 1493, 1506.

**B. Enforcement By Injunction Violates
The Public's First Amendment Rights**

The First Amendment values at issue are not limited to Armstrong. They include the American public as well.

The freedom of speech and of the press, which are secured by the First Amendment against abridgment by the United States, are among the personal rights and liberties which are secured to all persons by the Fourteenth Amendment by a state. [¶] The safeguarding of these rights to the ends that men may speak as they think on matters vital to them and that falsehoods may be exposed through the process of education and discussion is essential to free government. Those who won our independence had confidence in the power of free and fearless reasoning and communication of ideas to discover and spread political and economic truth. Noxious doctrines in those fields may be refuted and their evil averted by the courageous exercise of the right of free discussion. Abridgment of freedom of speech and of the press, however, impairs those opportunities for public education that are essential to the power of correcting error through the processes of popular government.

Thornhill v. State of Alabama (1940) 310 U.S. 88, 95. (Emphasis added.)

Since the goal of the First Amendment is "producing an informed public capable of conducting its own affairs," Red Lion Broadcasting v. F.C.C. (1969) 395 U.S. 367, 392, "[t]he protection of the public requires not merely discussion, but information." New York Times v. Sullivan (1964) 376 U.S. 254, 272. Thus, the mark at which the First Amendment aims is "the widest possible dissemination of information from diverse and antagonistic sources." Associated Press v. United States 326 U.S. 1, 20.

Since the "First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others," City Council v. Taxpayers for Vincent

(1984) 466 U.S. 789, 804, it seeks to "preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance the monopolization of that market, whether it be by Government itself or a private licensee." Red Lion, 395 U.S. at 390.

It is precisely what the First Amendment forbids that the trial court has done. Scientology is assisted in suppressing the truth known by Armstrong so that it can monopolize and inhibit the "marketplace of ideas" where the American public will judge it. By judicial enforcement of the settlement agreement, free speech through the medium of litigation, on issues critically affecting the public, through Gerald Armstrong, is censored. Thus, Scientology will continue to victimize "weak people" with relative impunity. This is intolerable.

Scientology apparently bought Armstrong's right to free speech, but it cannot get the judiciary to do the dirty work of imposing prior restraints for it so that it can violate the rights of others with a minimization of accountability for the consequences of its conduct.

"If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence."

Whitney, 274 U.S. at 377. "Speech concerning public affairs is more than self-expression; it is the essence of self-government. It is the right of the public to receive suitable access to social, political, aesthetic, moral and other ideas and experiences." Ibid. The scope of the First Amendment "goes beyond protection of the press and the self-expression of individuals to prohibit government from limiting the stock of information from which the members of the public may draw." First National Bank of Boston v. Bellotti (1978) 435 U.S. 765, 783. The First Amendment protects the public constitutional interest in receiving information. Kleindienst v. Mandel (1972) 408 U.S. 753, 762-63.

Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.

Buckley, supra, 424 U.S. at 67.

The trial court's muting of Armstrong is the enforced deafening of the public. It is wrong to allow a criminal organization to buy the silence of its greatest critic, particularly in litigation. The content of speech of the nature at issue in this case cannot be sacrificed on the altar of settlement. Such would be an affront to democracy.

C. Enforcement By Injunction Violates Equal Protection Because It Creates Classes of Litigants Predicated Upon A Classification Based Upon Wealth

The trial court treats some speech on the subject of Scientology differently than others. Thus, this Court must address the injunction in terms of the Equal Protection Clause of the Fourteenth Amendment. The injunction affects Armstrong's right to freely speak through the medium of litigation. This is expressive conduct, speech. Moreover, it does so by a classification formulated in terms of the content of his speech, that is, the prohibition is tied to the subject of L. Ron Hubbard and Scientology. The injunction creates other classifications regarding Armstrong's right to testify. Under oath pursuant to subpoena he may, but by declaration he may not. The difference between the two is money. While depositions cost money, declarations don't.

The crucial question is whether there is an appropriate governmental interest that is suitably furthered by the differential treatment.

The central problem with the injunction is that it limits Armstrong's right to speak in adversary proceedings in terms of the content of his speech. Others may speak of Scientology through declarations; he may not. He may speak on all subjects through declarations, but not on Scientology. The operative

distinctions are (1) the subject of Scientology, and (2) the money required to purchase speech on that subject.

" . . . [A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its subject matter, or its content." Police Department v. Mosley, supra, 408 U.S. at 95.

Necessarily then, under both the Equal Protection Clause, as well as the First Amendment, the government may not select "which issues are worth discussing or debating" by enjoining Armstrong from discussing Scientology in litigation. Id. at 96. "There is an 'equality of status in the field of ideas,' and government must afford all points of view an equal opportunity to be heard." Ibid. A fortiori, this concept applies in litigation.

Even if the state may have a legitimate interest in controlling the content of Armstrong's speech, and it does not, its justifications must be "carefully scrutinized" and must be "tailored to serve a substantial governmental interest." Id. at 99. In view of the fundamental nature of the rights to free speech, and to association, governmental action which may have the effect of curtailing these freedoms is subject to a standard of review of strict scrutiny. Buckley, supra, 424 U.S. at 25.

The only possible governmental interest supporting the injunction is the settlement of lawsuits. This interest, however, does not carry the weight of Armstrong's speech interest, and the requirement that the only way litigants can have access thereto is to purchase it. The value of Armstrong's speech interest is in providing competent proof and information regarding a criminal organization. The state's interest in settling lawsuits, in this case, through an injunction has resulted in the enforcement of a criminal organization's purchase of the suppression of facts harmful to its antisocial goals.

Since the injunction describes impermissible speech, not in terms of time, place and manner, but in terms of the subject matter of Scientology, it "slips from the neutrality of time,

place and circumstance into a concern about content." Ibid. Allowing Armstrong's speech to take place only pursuant to subpoena - which costs money - does not sanitize the content-control imposed by the injunction.

[T]he concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment, which was designed "to secure 'the widest possible dissemination of information from diverse and antagonistic sources,'" and "to assure unfettered exchange of ideas for the bringing about of political and social changes desired by the people." [citations.] The First Amendment's protection against governmental abridgment of free expression cannot properly be made to depend upon a person's financial ability to engage in [or prevent] public discussion.

Buckley, supra, 424 U.S. at 48-49.

Under the circumstances of this case, and in light of Scientology's criminal history, its wholesale violations of citizen's civil rights, and Armstrong's knowledge thereof, settlement does not outweigh censorship. There is a less restrictive alternative - completely free speech - whether by declaration, deposition or at trial.

The right to redress is applicable to the states through the Fourteenth Amendment. DeJonge v. Oregon (1937) 299 U.S. 353, 364-65. The injunction makes a distinction based upon class and wealth. The state is exempted from the requirement to compel Armstrong's testimony - he may speak voluntarily with agents of the state. Ordinary citizens who have been harmed by Scientology, and who do not have the benefit of the power of the state, must pay money in order to obtain what the state can obtain for free. In other words, to obtain Armstrong's knowledge of Scientology, the state is entitled to exercise the constitutional right to redress of grievances for free while an ordinary citizen is restricted from such constitutional exercise of rights based upon wealth because he or she must pay money in order to obtain Armstrong's testimony through expensive

deposition, at trial, or both. The government is not permitted to do this. Douglas v. California (1963) 372 U.S. 353; Harper v. Virginia Board of Education (1966) 383 U.S. 663; Boddie v. Connecticut (1971) 401 U.S. 371.

Indeed, of all the circumstances conceivable, it is a vicious irony that a criminal organization, masquerading in the guise of a religion, which "[i]n addition to violating and abusing its own members civil rights, . . . with its 'Fair Game' doctrine has harassed and abused those persons not in the Church whom it perceives as enemies," (474) can require people to pay for evidence which the government can have for free. As stated by Judge Geernaert when Scientology first attempted to enforce the settlement agreement,

I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest.

(606) The person who really pays for the injunction at issue is the litigant who doesn't have the financing to pay for testimony.

IV. THE INJUNCTION IS UNCONSTITUTIONALLY OVERBROAD AND IMPERMISSIBLY VAGUE AND THEREFORE VOID

It is a basic principle of due process that an enactment is void for vagueness if its prohibitions are not clearly defined. Vague laws offend several important values. First, because we assume that man is free to steer between lawful and unlawful conduct, we insist that laws give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly. Vague laws may trap the innocent by not providing fair warning. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. A vague law impermissibly delegates basic policy matters to policemen, judges, and juries for resolution on an ad hoc and subjective basis, with attendant dangers of arbitrary and discriminatory application. Third, but related, where a vague statute "abut[s] upon sensitive areas of basic First Amendment freedoms," it "operates to inhibit the exercise of [those] freedoms." Uncertain meanings inevitably lead citizens to "steer

far wider of the unlawful zone . . . than if the boundaries of the forbidden areas were clearly marked."

Grayned v. City of Rockford (1972) 408 U.S. 104, 108-09. An additional reason which supports the void for vagueness rule is that such vagueness encourages erratic application and permits and encourages harsh and discriminatory enforcement, particularly against he who merits the displeasure of the authorities.

Papachristou v. City of Jacksonville (1972) 405 U.S. 156, 162, 170; Colautti v. Franklin (1979) 439 U.S. 379, 390.

Judge Sohigian's injunction prohibits Armstrong, and Ford Greene, his attorney, from

"Voluntarily assisting any person (not a governmental organ or entity) intending to make, . . . press . . . arbitrate, or . . . litigate a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)] regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)]"

The above quoted order is vague and overbroad.

Ford Greene represents the plaintiffs in Aznaran v. Church of Scientology of California, United States District Court, Central District of California, Case No. CV-88-1786-JMI. (159) Were he to comply with the injunction, he would be precluded from representing the Aznarans because he also represents Armstrong. This is a chilling infringement on both the Aznarans' and Armstrong's constitutional right to counsel of their choice. It is an interference with Greene's right to practice law and with Greene's obligation to represent people - who cannot otherwise find counsel willing to face "Fair Game" - against Scientology.

Gerald Armstrong works for Ford Greene. Greene litigates against Scientology. Does Armstrong's employment by Greene

constitute assistance within the terms of the injunction? Is Armstrong in violation of the order when he works on non-Scientology cases, because in so helping Greene carry the load Greene can dedicate more time litigating against Scientology? Is Armstrong in violation of the injunction when he answers the phone and somebody suing Scientology is on the other end? If Armstrong orders office supplies some of which will be used in anti-Scientology litigation, is he in violation? If Armstrong handles outgoing Scientology-related mail? Opens an envelope? Licks a stamp? Goes to the post office? Assembles exhibits to a brief opposing a Scientology motion? Signs a proof of service?

How is Armstrong to ascertain what and who are "all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel[?]" (72)

Finally, Armstrong may engage "in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of" the injunction. (1715) Since the injunction is not clear about what Armstrong can or cannot do, however, this provision, too, is vague and unclear. It restricts his employment, and Greene's law practice.

V. THE INJUNCTION IS VOID SINCE IT IS TOO INDEFINITE AND UNCERTAIN TO BE SPECIFICALLY PERFORMED

Civil Code section 3390 (5) prohibits enforcement by specific performance of "an agreement, the terms of which are not sufficiently certain to make the precise act which is to be done clearly ascertainable." When one seeks to obtain specific performance, "a greater degree or amount of certainty is required in the terms of an agreement which is to be specifically executed in equity than is necessary in a contract which is the basis for an action at law for damages." Long Beach Drug Co. v. United Drug Co. (1939) 13 Cal.2d 158, 88 P.2d 698, 701. Thus, even though a contract might be valid, it is not necessarily

specifically enforceable, or the proper subject of a prohibitory injunction due to its intrinsic nature, or due to lack of definiteness. Ibid; Lind v. Baker (1941) 48 Cal.2d 234, 119 P.2d 806, 812; Hunter v. Superior Court (1939) 36 Cal.App.2d 100, 97 P.2d 492, 498.

Even though the trial court rewrote the contract provisions found at 7-G and 7-H of the settlement agreement (81-82), for the reasons discussed above the provisions of the injunction are fraught with uncertainty and therefore not susceptible of specific performance. Thus, there are no "contractual terms which are sufficiently definite to enable the court to know what it is to enforce." Tamarind Lithography Workshop v. Sanders (1983) 143 Cal.App.3d 571, 575; Henderson v. Fisher (1965) 236 Cal.App.2d 468, 477.

The provisions of the injunction are fatally uncertain.

VI. SPECIFIC PERFORMANCE DOES NOT LIE INASMUCH AS IT WOULD REQUIRE PROTRACTED SUPERVISION AND DIRECTION OF THE COURT.

A contract which requires a continuing series of acts and demands cooperation between the parties for successful performance of those acts is not subject to specific performance. Thayler, 255 Cal.App.2d at 303.

Courts of equity will not decree the specific performance of contracts which, by their terms, stipulate of a succession of acts whose performance cannot be consummated by one transaction inasmuch as such continuing performance requires protracted supervision and direction.

Id. at 255 Cal.App.2d at 304; Whipple Quarry Co. v. L.C. Smith Co. (1952) 114 Cal.App.2d 214, 249 P.2d 854, 855; Lind, 119 P.2d at 813; Hunter, 97 P.2d at 498.

In addition to being overbroad, vague and uncertain, the injunction would require constant supervision to enforce. The court would have to be at the parties' elbow making determinations as to when anything which related to Scientology was sufficiently attenuated therefrom to allow Armstrong to work on it in the course of his employment, or deciding when someone

or something was or was not adverse to, or aligned against Scientology. It is an invitation for Scientology to ensconce itself in Greene's law office. It is impossible for the Court to decipher the ambiguities inherent in the injunction. But even if it could be rationally construed, the injunction could never be enforced.

**VII. SINCE THERE IS NO MUTUALITY OF REMEDY,
SPECIFIC PERFORMANCE WILL NOT LIE**

In bilateral contracts, such as the agreement herein, mutuality of obligation and remedy is necessary because of mutual promises. The doctrine requires that the promises on each side must be binding obligations in order to be consideration for each other. Mattei v. Hooper (1958) 51 Cal.2d 119, 122, 330 P.2d 625; Larwin-Southern Calif. v. JGB Inv. Co. (1979) 101 Cal.App.3d 606, 637, 162 Cal.Rptr. 52. In order for the agreement to be obligatory on either party, it must be mutual and reciprocal in its obligations. Harper v. Goldschmidt (1909) 156 Cal. 245, 104 P. 451.

Paragraphs 4-A and 4-B of the agreement prohibit Armstrong from litigating Scientology's complaint against him on appeal while allowing Scientology to litigate the matter in the appellate courts to the extent it desired. (75-76) Paragraph 7-D prohibits Armstrong from speaking to others about Scientology, but does not prohibit Scientology from talking to others about Armstrong. (77-79) Paragraph 7-E requires Armstrong to deliver documents about Scientology to Scientology, but does not require Scientology to deliver to Armstrong documents it possessed concerning him. (79-81) Paragraph 7-G prohibits Armstrong from assisting or cooperating with persons adverse to, or aligned against Scientology, but did not prohibit Scientology from assisting or cooperating with persons who were aligned against or adverse to Armstrong, to wit, the Long Affidavits. Paragraph 7-H prohibits Armstrong from testifying about Scientology, but did not prohibit Scientology from testifying about Armstrong, to wit,

the Long Affidavits.

There are two provisions in the agreement that are mutual. One is that Armstrong would dismiss his Cross-Complaint in consideration for a payment of money. The other was in Paragraph 7-I (82) which stated that neither party would say anything about the other in future litigation. It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672) As to the former, Scientology obtained what it paid for, and as to the latter, Scientology has consistently breached it. Thus, as to the provisions that Scientology seeks to specifically enforce, specific performance can not be had because there is an absence of mutuality.

VIII. ARMSTRONG HAD NO FREEDOM OF CONSENT

A. Duress

Sections 1569 (1) and (3) of the California Civil Code defines duress as the (1) "[u]nlawful confinement of the person of the party, . . ." or (2) "[c]onfinement of such person, lawful in form, but fraudulently obtained, or fraudulently made unjustly harassing or oppressive." The cases, however, have established much broader definitions, and consequently, the language of the decisions can rarely be reconciled with the statutory language. For example, in Harlan v. Gladding, McBean & Co. (1907) 7 Cal.App. 49, duress means a condition of mind produced by improper external pressure or influence that practically destroys the free will of a person and causes him to do an act or enter into a contract not of his own volition. In Sistrom v. Anderson (1942) 51 Cal.App.2d 213, duress is effectuated by an unlawful threat which overcomes the will of the person threatened and induces him to do an act that he is not bound to do and would not otherwise have done. Steffen v. Refrigeration Discount Corp. (1949) 91 Cal.App.2d 494, states that the test of duress, at its harshest, is what would have influenced the conduct of a

reasonable man. Indeed, the modern tendency is to find duress wherever one, by the unlawful act of another, is induced to make a contract under circumstances which deprive him of the exercise of free will. See Keithley v. Civil Service Board (1970) 11 Cal.App.3d 443; Balling v. Finch (1962) 203 Cal.App.2d 413; Gross v. Needham (1960) 184 Cal.App.2d 446; Lewis v. Fahn (1952) 113 Cal.App.2d 95; Sistrom, 51 Cal.App.2d at 213. Under this standard, duress is to be tested, not by the nature of the threat, but by the state of mind induced in the victim. Balling, 203 Cal.App.2d at 413; Lewis, 113 Cal.App.2d at 95.

In the case at bar, the agreement was made under duress and is, thus, voidable. Specifically, in Paragraph 11-A of the agreement: "The parties to this Agreement acknowledge . . . [t]hat all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will." (84) However, Armstrong testified that he had endured many years of psychological duress and brainwashing from Scientology. Moreover, he described the duress and undue influence to which he was subjected as soon as he had arrived in Los Angeles and was pressured into signing the agreement. (995-1053; see pp. 10-12, supra.)

Accordingly, duress exists to void the agreement. Indeed, Judge Geernaert noted:

"So my belief is Judge Breckenridge, being a very careful judge, follows about the same practice and if he had been presented with that whole agreement and if he had been asked to order its performance, he would have dug his feet in because that is one of the -- I have seen -- I can't say -- I'll say one of the most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay, the case is not settled.

(606)

B. Armstrong's Attorney Had A Conflict Of Interest With Both Armstrong And A Number Of The Other Settling Parties

Rule 5-102 of the Rules of Professional Conduct states:

(A) A member of the State Bar shall not accept professional employment without first disclosing his relation, if any, with the adverse party, and his interest, if any in the subject matter of the employment. A member of the State Bar who accepts employment under this rule shall first obtain the client's written consent to such employment.

(B) A member of the State Bar shall not represent conflicting interest, except with the written consent of all parties concerned.

In the Armstrong settlement, Armstrong was represented by attorney Michael Flynn. Despite an order to do so (1248-49, 1258), the agreement was never placed before the court. (582) Flynn also represented a number of other Scientologists.

Furthermore, Flynn did not put the second settlement agreement (111-16) before the court. In that second settlement agreement the parties acknowledged that they had "been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the length and degree of harassment." (114)

The second secret settlement agreement was entered into by the settling plaintiffs, including Armstrong, and their attorney, Flynn. The egregious conflicts between the plaintiffs and Flynn, and between plaintiffs themselves, are readily apparent from the face of the document. Notwithstanding these facts, the document has only one fleeting reference to consultation with outside counsel. (114) All of these people, including their attorney, had been subjected to the most outrageous deprivations, harassment and intimidation. Each should have been separately represented in the settlement. None were.

Indeed, concerning Armstrong's settlement, attorney Flynn even had a separate side-deal with the Scientology lawyers. If

VIII. ARMSTRONG HAD NO FREEDOM OF CONSENT	34
A. Duress	34
B. Armstrong's Attorney Had A Conflict Of Interest With Both Armstrong And A Number Of The Other Settling Parties	36
C. Fraud	37
1. Actual Fraud Exists	37
2. Constructive Fraud Exists	39
IX. TO THE EXTENT THAT THE INJUNCTION IS IN RESTRAINT OF TRADE, IT IS INVALID	40
X. SCIENTOLOGY HAS NOT MET ITS BURDEN WHICH WOULD ENTITLE IT TO INJUNCTIVE RELIEF BECAUSE IT IS NOT ENTITLED TO THE EQUITABLE REMEDY OF SPECIFIC PERFORMANCE	41
XI. THE SETTLEMENT AGREEMENT SEEKS TO SUPPRESS EVIDENCE OF JUDICIALLY CREDITABLE FACTS WHICH DISCREDIT THE SCIENTOLOGY ORGANIZATION; SUCH VIOLATES PUBLIC POLICY AND RENDERS THE CONTRACT VOID	42
CONCLUSION	49

TABLE OF AUTHORITIES

	<u>Page</u>
<u>Cases</u>	
Allen v. Jordanos' Inc. (1975) 52 Cal.App.3d 160, 125 Cal.Rptr. 31	44, 45
Associated Press v. United States 326 U.S. 1	24
Balling v. Finch (1962) 203 Cal.App.2d 413 21 CR 490	35
Boddie v. Connecticut (1971) 401 U.S. 371 28 L.Ed.2d 113	29
Bovard v. American Horse Enterprises (1988) 201 Cal.App.3d 832 247 CR 340	43
Broffman v. Newman (1989) 213 Cal.App.3d 252 261 CR 532	18
Brown v. Freese (1938) 28 Cal.App.2d 608	44, 45, 48
Buckley v. Valeo (1976) 424 U.S. 1 46 L.Ed2d 659	20, 26
Bullock v. City & County of San Francisco (1990) 221 CalApp.3d 1072 271 CR 44	18
C.B.S., Inc. v. U.S. District Court (9th Cir. 1984) 729 F.2d 1174	20
Chriddenden v. Hansen (1943) 59 Cal.App.2d 56 138 P.2d 37	41, 42
Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060 283 Cal.Rptr. 917	13
City Council v. Taxpayers for Vincent (1984) 466 U.S. 789	24

as a result of the settlement term that Armstrong would not oppose any appeal of the Breckenridge Decision, there was a reversal, damages on retrial against Armstrong would be limited to \$25,001 payment for which Scientology would indemnify Flynn. This was never disclosed to Armstrong. Additionally, Flynn told Armstrong that he would represent Armstrong in the future against Scientology, if necessary.

The global settlement, and side-agreements, included Flynn, Armstrong's own attorney who had interests diametrically opposed to those of Armstrong and interests diametrically opposed to those of the other settling former Scientologists. Finally, all of the settling parties had interests that were diametrically opposed as among themselves. Each of them, including Flynn, should have been separately represented. Objectively, none of these settling former Scientologists were capable of representing themselves in this situation. They each required legal counsel with undivided loyalty. What they got, however, was legal counsel who had conflicts between each of his clients and between himself and his clients. No one disputes the Herculean efforts of Michael Flynn against Scientology, but Scientology eventually destroyed Flynn's will to fight. However well he had represented these clients prior to the settlement, he breached all applicable ethical rules in representing himself and all of the settling parties in this global agreement. It was a mammoth conflict of interest for Michael Flynn to represent each of the settling parties in a settlement in which he himself was the largest beneficiary.

Clearly, Armstrong entered the settlement without the benefit of objective counsel. (752-56)

C. Fraud

1. Actual Fraud Exists

The elements of actual fraud, whether in contract or in tort, have been stated as follows: There must be (1) a false representation or concealment of a material fact (or, in some

cases, an opinion) susceptible of knowledge, (2) made with knowledge of its falsity or without sufficient knowledge on the subject to warrant a representation, (3) with the intent to induce the person to whom it is made to act upon it; and such person must (4) act in reliance upon the representation (5) to his damage. Harding v. Robinson (1917) 175 Cal. 534, 538; Wolfe v. Severns (1930) 109 Cal.App. 476, 485; 1 Witkin, Summary of California Law § 393.

The act constituting actual fraud may be concealment or "any other act fitted to deceive." Specifically, "[t]he suppression of that which is true, by one having knowledge or belief of the fact" is actual fraud. Civil Code § 1572 (3); Williamson & Vollmer Engineering v. Sequoia Ins. Co. (1976) 64 Cal.App.3d 261, 273; 1 Witkin, Summary of California Law, § 398. The Restatement points out that concealment is an affirmative act, equivalent to a misrepresentation (Comment a), and that it usually consists either in actively hiding something from the other party, or preventing him making an investigation that would have disclosed the true facts (Comment b).

The purpose of the catch-all statement, "any other act" is suggested in Wells v. Zenz (1927) 83 Cal.App. 137.

"Fraud is a generic term which embraces all the multifarious means which human ingenuity can devise and are resorted to by one individual to get an advantage over another. No definite and invariable rule can be laid down as a general proposition defining fraud, and it includes all surprise, trick, cunning, dissembling, and unfair way by which another is deceived. The statutes of California expressly provide that . . . any other act fitted to deceive is actual fraud."

In this case, actual fraud in both the form of concealment and active misrepresentation exist.

At the time of the settlement Flynn told Armstrong "that in the event that anything happened he would still be there to defend me." (768) The truth, however, was that Flynn had an agreement with Scientology never to represent anyone against the

organization again. ¹⁰/ Flynn even refused to give Armstrong a declaration to use in his own litigation. (767-68)

None of the well over a dozen plaintiffs involved were told that the agreement was not reciprocal, i.e., that Scientology could say whatever it wanted about the signing plaintiffs following the settlement, but that the plaintiffs, including Armstrong, must remain silent. (91, 667-68) "It was [his] understanding and intention at the time of the settlement that [he] would honor the silence and confidentiality conditions of the settlement agreement, and that the organization had agreed to do likewise." (672) Similarly, Flynn failed to disclose to Armstrong the existence of the side agreement for indemnity. (771, 1253, 1255)

Mr. Flynn knew all these material facts yet concealed them from the signing plaintiffs, including Armstrong, with the intent to induce the plaintiffs, including Armstrong, to sign the agreement. In turn, Armstrong, and the other plaintiffs signed the agreements in reliance upon Mr. Flynn's representations, to their detriment. Accordingly, actual fraud exists to void the agreement.

2. Constructive Fraud Exists

Constructive fraud consists of (1) "any breach of duty which, without an actually fraudulent intent, gains an advantage to the person in fault, or any one claiming under him, by misleading another to his prejudice, or to the prejudice of anyone claiming under him;" (2) "any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud." Civil Code § 1573. Where a confidential or

¹⁰ This is a violation of Rule of Professional Conduct 1-500 (A) which states: "A member shall not be a party to or participate in offering or making an agreement, whether in connection with the settlement of a lawsuit or otherwise, if the agreement restricts the right of a member to practice law. "

fiduciary relationship exists between the parties, the failure of the person in whom confidence is placed to disclose material facts within his knowledge may constitute constructive fraud within the meaning of Civil Code § 1573 (1). Ford v. Shearson Lehman American Express (1986) 180 Cal.App.3d 1011, 1020; Main v. Merrill Lynch (1977) 67 Cal.App.3d 19, 32; McFate v. Bank of America (1932) 125 Cal.App. 683, 686.

In the present case, constructive fraud also exists. Flynn, who had a fiduciary relationship as their attorney with the signing plaintiffs, including Armstrong, failed to disclose material facts within his knowledge to the signing plaintiffs prior to their signing the agreement. The failure of Flynn, in whom confidence was placed, to disclose such material facts constitutes constructive fraud, thus, voiding the agreement.

**IX. TO THE EXTENT THAT THE INJUNCTION IS
IN RESTRAINT OF TRADE, IT IS INVALID.**

Apparently, Armstrong is enjoined from working for Ford Greene, but only on Scientology cases. Such is an unreasonable restraint of trade.

Business and Professions Code section 16600 provides that, subject to exceptions contained in its chapter, "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." The Restatement 2d, Contracts § 186 states: "(1) A promise is unenforceable on grounds of public policy if it is unreasonably in restraint of trade. (2) A promise is in restraint of trade if its performance would limit competition in any business or restrict the promisor in the exercise of a gainful occupation."

Specifically, Armstrong is employed by Ford Greene. The injunction restricts Armstrong's acts by working for Mr. Greene.

Although covenants not to compete may be enforceable if for a limited time period, such a covenant in perpetuity is not enforceable. Thus, the lifetime prohibition of Armstrong working

as a paralegal is void.

X. SCIENTOLOGY HAS NOT MET ITS BURDEN WHICH WOULD ENTITLE IT TO INJUNCTIVE RELIEF BECAUSE IT IS NOT ENTITLED TO THE EQUITABLE REMEDY OF SPECIFIC PERFORMANCE

Applying Civil Code section 3391 to the circumstances of this case, Armstrong cannot be compelled to specifically perform the agreement. ^{11/}

An injunction cannot be granted to prevent the breach of a contract, the performance of which would not be specifically enforced. Thayer Plymouth Center, Inc. v. Chrysler Motors Corp. (1967) 255 Cal.App.2d 300, 304; Eichholtz v. Nicoll (1944) 66 Cal.App.2d 67, 151 P.2d 664, 666. Thus, it is rote that "equity will not lend its aid to enforce contracts which upon their face are so manifestly harsh and oppressive as to shock the conscience; it must be affirmatively shown that such contracts are fair and just." Jacklich v. Baer (1943) 57 Cal.App.2d 684, 135 P.2d 179, 183. The rationale for this rule is grounded in a common sense recognition of the rules of fair play.

It is said . . . that the doctrine that he who seeks equity must do equity means that the party asking the aid of the court must stand in a conscientious relation to his

¹¹ In full, Civil Code section 3391 states: "WHAT PARTIES CANNOT BE COMPELLED TO PERFORM. Specific performance cannot be enforced against a party to a contract in any of the following cases:

1. If he has not received an adequate consideration for the contract;
2. If it is not, as to him, just and reasonable;
3. If his assent was obtained by the misrepresentation, concealment, circumvention, or unfair practices of any party to whom performance would become due under the contract, or by any promise of such party which has not been substantially fulfilled; or
4. If his assent was given under the influence of mistake, misapprehension, or surprise, except that where the contract provides for compensation in the case of mistake, a mistake within the scope of such provision may be compensated for, and the contract specifically enforced in other respects, if proper to be so enforced.

adversary; that the transaction from which his claim arises must be fair and just and that the relief itself must not be harsh and oppressive upon the defendant. And that specific performance will always be refused when a contract itself is unfair, one-sided, unconscionable, or affected by any other such inequitable feature, and when specific performance would be oppressive upon the defendant, or would prevent the enjoyment of his own rights, or would in any other manner work injustice.

Id., 135 P.2d at 184; Chriddenden v. Hansen (1943) 59 Cal.App.2d 56, 138 P.2d 37, 38; Quan v. Kraseman (1948) 84 Cal.App.2d 550, 191 P.2d 16, 17; Eichholtz, supra.

Scientology cannot prove the fairness and justness of the agreement it seeks to enforce. There is nothing fair about Scientology being able to abuse its right to Free Speech by slandering Armstrong, and then being able to seek a contempt citation and have Armstrong thrown in jail for simply exercising his First Amendment right to tell the truth in the face of Scientology's lies about him.

XI. THE SETTLEMENT AGREEMENT SEEKS TO SUPPRESS EVIDENCE OF JUDICIALLY CREDITABLE FACTS WHICH DISCREDIT THE SCIENTOLOGY ORGANIZATION; SUCH VIOLATES PUBLIC POLICY AND RENDERS THE CONTRACT VOID.

What Scientology is seeking to do is to remove Armstrong, and all others like him, ^{12/} from playing any role in the truth-seeking process, whether such process be found in competition in the public marketplace of ideas, or in the truth-seeking forum provided by the judiciary. By eliminating those who are knowledgeable of its history and practices, Scientology seeks, quite literally, to shape public opinion and skew judicial decision-making by writing its own script. Thus, with no regard

¹² For example, Scientology unsuccessfully attempted to enforce identical settlement agreements against the Aznarans. See 190-445 for motion for preliminary injunction. For settlement agreements, see 303-316. For an example of the type of information in the Aznaran case that Scientology sought to suppress, see Declaration of Vicki Aznaran at 417-430. It is remarkably similar to Armstrong's Declarations.

for the truth, Scientology may rest secure in the knowledge that it has purchased the silence of witnesses adverse to it. ^{13/}

The consideration of a contract must be lawful. Civil Code section 1607. If any part of the consideration is unlawful the entire contract is void. Civil Code section 1608. Consideration is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals. Civil Code section 1667. The object of the contract is the thing which it is agreed, on the party receiving the consideration, to do or not to do. Civil Code section 1595. The object must be lawful when the contract is made. Civil Code section 1596. Whether or not a contract in a given case is contrary to public policy is a question of law to be determined from the circumstances of each particular case. Bovard v. American Horse Enterprises (1988) 201 Cal.App.3d 832, 838; Kallen v. Delug (1984) 157 Cal.App.3d 940, 951; Russell v. Soldinger (1976) 59 Cal.App.3d 633, 642.

It is a fundamental rule of construction of contracts that all applicable laws in existence when an agreement is made, which laws the parties are presumed to know and have in mind, necessarily enter into the contract and form a part of it without any stipulation to that effect, as if they were expressly referred to and incorporated in the agreement. People v. Hadley

¹³ Such is precisely the type of agreement that current Senate Bill No. 711 seeks to outlaw. As amended January 27, 1992, Senate Bill No. 711 states:

Notwithstanding any other provision of law, as a matter of public policy, in actions based on fraud, or based upon personal injury . . . no part of any confidentiality agreement, settlement agreement, stipulated agreement, or protective order to keep from public disclosure information that is evidence of fraud shall be entered or enforceable upon settlement or conclusion of any litigation or dispute concerning the fraud . . .

(1495)

(1967) 257 Cal.App.2d Supp. 871, 881.

"Agreements to suppress evidence have long been held void as against public policy, both in California and in most common law jurisdictions." Williamson v. Superior Court (1978) 21 Cal.3d 829, 836-37. In Brown v. Freese (1938) 28 Cal.App.2d 608, the California Court of Appeal adopted section 557 of the Restatement of the Law of Contracts prohibiting as illegal those agreements which sought to suppress the disclosure of discreditable facts. The court stated:

A bargain that has for its consideration the nondisclosure of discreditable facts . . . is illegal. . . . In many cases falling within the rule stated in the section the bargain is illegal whether or not the threats go so far as to bring the case within the definition of duress. In some cases, moreover, disclosure may be proper or even a duty, and the offer to pay for nondisclosure may be voluntarily made. Nevertheless the bargain is illegal. Moreover, even though the offer to pay for nondisclosure is voluntarily made and though there is no duty to make disclosure or propriety in doing so, a bargain to pay for nondisclosure is illegal. [Emphasis added.]

Brown 28 Cal.App.2d at 618.

In Allen v. Jordanos' Inc. (1975) 52 Cal.App.3d 160, 125 Cal.Rptr. 31, the court did not allow a breach of contract action to be litigated because it involved a contract that was void for illegality. In Allen, plaintiff filed a complaint for breach of contract which he subsequently amended five times. Plaintiff, a union member, was entitled by his collective bargaining agreement to have a fair and impartial arbitration to determine the truth or falsity of the allegations against him of theft and dishonesty. The allegations of the amended complaints stated that there had been an agreement between the parties whereby defendant laid off plaintiff, defendant's employee, and allowed plaintiff to receive unemployment benefits and union benefits. "Defendants also agreed that they would not communicate to third persons, including prospective employers, that plaintiff was discharged or resigned for dishonesty, theft, a bad employment attitude and

that defendants would not state they would not rehire plaintiff." Id. at 163. Plaintiff alleged there had been a breach in that defendants had communicated to numerous persons, including potential employers and the Department of Human Resources and Development, that plaintiff was dishonest and guilty of theft and had resigned for fear of being discharged for those reasons, that plaintiff had a bad attitude and that defendants would not rehire him. Plaintiff alleged that as a result of the breach he suffered a loss of unemployment benefits, union benefits and earnings. The court held that the plaintiff had bargained for an act that was illegal by definition. It stated:

The nondisclosure was not a minor or indirect part of the contract, but a major and substantial consideration of the agreement. A bargain which includes as part of its consideration nondisclosure of discreditable facts is illegal. (See Brown v. Freese, 28 Cal.App.2d 608, 618 [83 P.2d 82].) It has long been hornbook law that consideration which is void for illegality is no consideration at all. [Citation.]

Id. 52 Cal.App.3d at 166.

The object of a contract must be lawful. Civil Code sections 1550, 1596. If the contract has a single object, and that object is unlawful, the entire contract is void. Civil Code section 1598.

Civil Code § 1668 states:

All contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud, or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law.

Since an agreement to suppress evidence or to conceal a witness is illegal, Witkin, § 611 at 550; Penal Code §§ 136, 136.1, and 138; Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 196 Cal.Rptr. 871; Tappan v. Albany Brewing Co. (1889) 80 Cal. 570, 571-572, and the combined effect of the "global settlement" has been to remove the availability as witnesses of

most former high-ranking Scientologists, ¹⁴/ such can "lead to subtle but deliberate attempts to suppress relevant evidence." Williamson, 21 Cal.3d at 838.

Thus, where a contract is made either (1) to achieve an illegal purpose, or (2) by means of consideration that is not legal, the contract itself is void. Witkin, Summary of California Law (9th Ed. 1987) Vol. 1, Contracts, § 441 at 396.

There are two reasons for the rule prohibiting judicial enforcement, by any court, of illegal contracts.

[T]he courts will not enforce an illegal bargain or lend their assistance to a party who seeks compensation for an illegal act [because] . . . Knowing that they will receive no help from the courts . . . the parties are less likely to enter into an illegal agreement in the first place.

Lewis & Queen, 48 Cal.2d at 149 [308 P.2d at 719].

This rule is not generally applied to secure justice between parties who have made an illegal contract, but from regard for a higher interest - that of the public, whose welfare demands that certain transactions be discouraged. [Emphasis added.]

Owens v. Haslett (1950) 98 Cal.App.2d 829, 221 P.2d 252, 254.

Illegal contracts are matters which implicate public policy. Public policy means "anything which tends to undermine that sense of security for individual rights, whether of personal liberty or private property, which any citizen ought to feel is against public policy." Ibid. Therefore, "[a] contract made contrary to public policy may not serve as the foundation of any action, either in law or in equity, [Citation] and the parties will be left where they are found when they come to court for relief. [Citation.]" Tiedje v. Aluminum Paper Milling Co. (1956) 46 Cal.2d 450, 454.

It is well settled that agreements against public

¹⁴ See also Appendix pp. 111-16 for enumeration of those individuals settling as part of the package. Note that most were mentioned as witnesses in Judge Breckenridge's opinion (473).

policy and sound morals will not be enforced by the courts. It is a general rule that all agreements relating to proceedings in court which involve anything inconsistent with [the] full and impartial course of justice therein are void, though not open to the actual charge of corruption.

Eggleston v. Pantages (1918) 103 Wash. 458, 175 P. 34, 36;
Maryland C. Co. v. Fidelity & Cas. Co. of N.Y. 71 Cal.App. 492
Fong v. Miller (1951) 105 Cal.App.2d 411, 414. "In other words, where the illegal consideration goes to the whole of the promise, the entire contract is illegal." Witkin, § 429 at 386; Morey v. Paladini (1922) 187 Cal. 727, 738 ["The desire and intention of the parties [to violate public policy] entered so fundamentally into the inception and consideration of the transaction as to render the terms of the contract nonseverable, and it is wholly void."].

Professor Witkin states:

It is obviously an obstruction of justice to conceal, suppress, falsify or destroy evidence which is relevant and known to be sought or desired for use in a judicial proceeding or an investigation by law officers.

Witkin, California Criminal Law (2d.Ed. 1988) Vol. 2, § 1132, at p. 1311. Such constitutes a crime against public justice because it is designed to intimidate witnesses and prevent them from giving testimony in violation of Penal Code section 136.1.

The general rule controlling in cases of this character is that where a statute prohibits or attaches a penalty to the doing of an act, the act is void . . . The imposition by statute of a penalty implies a prohibition of the act to which the penalty is attached, and a contract founded upon such act is void.

Smith v. Bach 183 Cal. 259, 262, quoted in Severance v. Knight-Counihan Co. (1947) 29 Cal.2d 561, 177 P.2d 4, 8.

If a court is not able to distinguish between the lawful part of an agreement, and the unlawful part, "the illegality taints the entire contract, and the entire transaction is illegal and unenforceable. Keene v. Harling (1964) 61 Cal.2d 318, 321; Mailand v. Burckle (1978) 20 Cal.3d 367, 384. Assuming arguendo,

that the entire agreement is not unenforceable, then the Court must save the good part, and sever and discard the rest. Civil Code section 1599 tells us what to do with a contract which is partially void, and has at least one distinct lawful object, and at least distinct unlawful object. Section 1599 states that the contract is void as to the unlawful objects, and valid as to the lawful objects. ^{15/}

Armstrong proposes that contractual provisions 4-A, 4-B, 7-E, 7-G, 7-H, 7-I, 10, and 18-D are not lawful for the reasons discussed above. Those provisions share the common objective of suppressing credible, judicially tested information which discredits Scientology. In contrast, Paragraphs 1, 2 and 4 have the distinct objective of settling Gerald Armstrong's Cross-Complaint in Armstrong I. Thus, as to the former, the contract is void, while as to the later it is valid.

It has long been the law in California that

When the transaction is of such a nature that the good part of the consideration can be separated from that which is bad, the Courts will make the distinction, for the . . . law . . . [divides] according to common reason; and having made that void that is against law, lets the rest stand. [Citation]. Thus, the rule relating to severability of partially illegal contracts is that a contract is severable if the court can, consistent with the intent of the parties, reasonably relate the illegal consideration on one side to some specified of determinable portion of the consideration on the other side.

Keene v. Harling (1964) 61 Cal.2d 318, 320-21; Brown v. Freese, supra.

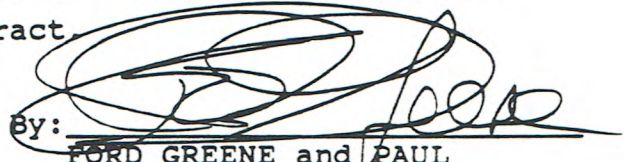
¹⁵ This principle is recognized in Paragraph 16 of the settlement agreement which states in "the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision thereof." (85)

CONCLUSION

The injunction should be dissolved. The facts are clearly before the court. There are no disputes. Armstrong does not contest the facts which Scientology characterizes as violations. Scientology has not contested the facts preceding, during and following the execution of the settlement agreement. This one-sided agreement is an affront to fair play. Armstrong never contracted to sacrifice his First Amendment rights so that Scientology could spread lies about him - dead agent him - and the only thing he could do to fight back was to be enjoined and ultimately jailed. Armstrong's history of his battle with Scientology belies such an intent.

The preliminary injunction should be dissolved, and the provisions designed to suppress evidence and obstruct justice severed and stricken from the contract.

DATED: January 18, 1993

By: 

FORD GREENE and PAUL
MORANTZ
Attorneys for Defendant
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: APPELLANT'S OPENING BRIEF

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

SEE SERVICE LIST

- [X] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
- [X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: January 19, 1993

A handwritten signature in dark ink, appearing to be "R. J. Lopez", is written over a horizontal line.

SERVICE LIST

Supreme Court of California
303 Second Street
South Tower
San Francisco, CA 94107

Clerk, Superior Court
State of California
County of Los Angeles
111 North Hill Street
Los Angeles, CA 90012

Andrew H. Wilson, Esquire
Wilson, Ryan & Campilongo
235 Montgomery Street
Suite 450
San Francisco, CA 94104

Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Blvd.
Suite 2000
Los Angeles, CA 90028

Paul Morantz, Esquire
P.O. Box 511
Pacific Palisades, CA 90272

Graham E. Berry, Esquire
Lewis, D'Amato, Brisbois & Bisgaard
221 North Figueroa Street
Suite 1200
Los Angeles, CA 90012

Statute
Today

Barry Van Sickle
Laurence P. Nokes
Shelley M. Liberto
CUMMINS & WHITE
3737 Birch Street, Fourth Floor
Newport Beach, California 92660
Telephone: (714) 852-1800

FILED
3:30 PM
APR - 1 1988
U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALI-
FORNIA
SANTA ANA OFFICE

Attorneys for Plaintiffs
VICKI J. AZNARAN and RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT, STATE OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N.
AZNARAN,

Plaintiffs,

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, INC.; CHURCH OF
SPIRITUAL TECHNOLOGY, INC.;
SCIENTOLOGY MISSIONS INTERNATIONAL,
INC.; RELIGIOUS TECHNOLOGY CENTER,
INC.; AUTHOR SERVICES, INC.;
CHURCH OF SCIENTOLOGY INTERNATION-
AL, INC.; CHURCH OF SCIENTOLOGY OF
LOS ANGELES, INC.; MISSION OFFICE
WORLDWIDE; AUTHOR FAMILY TRUST;
THE ESTATE OF L. RON HUBBARD;
DAVID MISCAVIGE; and NORMAN
STARKEY

Defendants.

CASE NO. CV 88-1786-LUDK
(EX)

COMPLAINT FOR FALSE
IMPRISONMENT; INTENTIONAL
INFLICTION OF EMOTIONAL
DISTRESS; NEGLIGENT IN-
FLICTION OF EMOTIONAL
DISTRESS; LOSS OF CONSOR-
TIUM; CONSPIRACY; BREACH
OF CONTRACT; RESTITUTION;
FRAUD; INVASION OF
PRIVACY; BREACH OF
STATUTORY DUTY TO PAY
MINIMUM WAGES AND OVER-
TIME [Cal. Lab. C. §1194]
AND CONSTRUCTIVE FRAUD

COME NOW Plaintiffs VICKI J. and RICHARD N. AZNARAN,
and allege as follows:

JURISDICTION AND VENUE

1. Jurisdiction for all of Plaintiffs' claims is
proper under 28 USC §1332 because complete diversity exists
between all Plaintiffs and all Defendants, and the amount in
controversy exceeds Ten Thousand Dollars (\$10,000.00). Venue is

1 proper under 28 USC §§1391(b) and 1392 because all of Plaintiffs'
2 claims arose in this District and one or more of the Defendants
3 resides in this District.

4 COMMON ALLEGATIONS

5 2. Plaintiffs VICKI J. AZNARAN and RICHARD N. AZNARAN
6 (hereinafter "Plaintiffs"), are individuals domiciled in the
7 State of Texas, County of Dallas.

8 3. Plaintiffs are informed and believe and thereon
9 allege that Defendants CHURCH OF SCIENTOLOGY OF CALIFORNIA, INC.,
10 CHURCH OF SPIRITUAL TECHNOLOGY, INC., SCIENTOLOGY MISSIONS
11 INTERNATIONAL, INC., RELIGIOUS TECHNOLOGY CENTER, INC., AUTHOR
12 SERVICES, INC., AND CHURCH OF SCIENTOLOGY INTERNATIONAL, INC. and
13 CHURCH OF SCIENTOLOGY OF LOS ANGELES, INC., are, and at all times
14 herein mentioned were, California corporations authorized to do
and doing business in the State of California.

15 4. Plaintiffs are informed and believe and thereon
16 allege that Defendants AUTHOR FAMILY TRUST, MISSION OFFICE
17 WORLDWIDE, and the ESTATE OF L. RON HUBBARD are entities that are
18 residents of the State of California.

19 5. Plaintiffs are informed and believe and thereon
20 allege that Defendants DAVID MISCAVIGE and NORMAN STARKEY are
21 individuals domiciled in the State of California.

22 6. Corporate Defendants named in paragraph 2, above,
23 are subject to a unity of control, and the separate ^{IN} alleged
24 corporate structures were created as an attempt to avoid payment
25 of taxes, and civil judgments. Due to the unity of personnel,
26 commingling of assets, and commonality of business objectives,
27 the attempt at separation of these corporations should be
28 disregarded by the Court.

1 The fallacious designations of Defendant
2 organization as "Churches" or other religious entities is a sham
3 contrived to exploit protections of the First Amendment of the
4 United States Constitution, and at no time herein mentioned. did
5 Defendants render any religious services, or engage in any
6 religious activities whatsoever. Rather, said organizations were
7 created solely for the purpose of making money from the sale of
8 copyrights of the book Dianetics, written by L. RON HUBBARD, and
9 from the subjugation and exploitation of thousands of individuals
10 such as Plaintiffs for free labor and services.

11 8. Each of the Defendants is the agent,
12 coconspirator, partner or employee of the other, and did the acts
13 alleged herein pursuant to said relationship.

14 9. From the period in or about November of 1973 until
15 in or about May of 1987, Plaintiffs were members of the CHURCH OF
16 SCIENTOLOGY (hereinafter the "Church"). Plaintiff RICHARD N.
17 AZNARAN (hereinafter "RICHARD") was indoctrinated into the Church
18 in Dallas, Texas, upon returning from service with the United
19 States Marine Corps in Vietnam, by active recruitment techniques
20 which involved written examinations, assignment to "communication
21 courses" for which Plaintiffs paid good and adequate
22 consideration, and assignments to different job positions within
23 the Church. Plaintiff VICKI AZNARAN was also recruited by the
24 Church in Dallas, Texas in or about the same time by the same
25 active recruitment techniques.

26 10. In or about 1975, Plaintiffs entered into a five
27 year renewable written Employment Agreement with Defendants, and
28 each of them, whereby Plaintiffs would be paid an unspecified
"allowance," bonuses, and room and board in exchange for an

1 unspecified number of hours to be worked each day and week for
2 the Church. As a matter of policy, Plaintiffs later learned that
3 their allowance amounted to approximately \$17.50 per week and
4 working hours were 9:00 a.m to 12:00 midnight, daily, with one
5 day's leave every two weeks. Even these "privileges," however,
6 were subject to being removed by the Church pursuant to the "Team
7 Member System." Pursuant to the Team Member System, the Church
8 published five classes of laminated cards, each class
9 representing a token to be used as privately-issued money in
10 exchange for food, board, pay, bonuses and liberty. The Team
11 Member System required that the Plaintiffs be given one of each
12 of these cards when the Church administration was satisfied with
13 their work production, and loyalty to the organization. Any
14 dissatisfaction with the work output or "attitude" of Plaintiffs
15 would result in revocation of the tokens, thereby requiring
16 Plaintiffs to work long hours with no days off, no pay, no board
17 (requiring them to sleep outdoors on the ground) and substandard
18 nutrition comprised solely of rice, beans and water. When
19 Plaintiffs had lost all of their cards, as a matter of course,
20 they would be sent to the Rehabilitation Project Force for
21 "attitude adjustment," which was comprised of even harsher labor,
22 deprivation of liberty, and psychological duress forcing the
23 submission of Plaintiffs to the power and control of Defendants,
24 as set out more specifically herein.

25 11. From the outset, and during the course of their
26 involvement with the Church, Defendants subjected Plaintiffs to
27 psychological trauma, duress and undue influence for the purposes
28 of forcing submission of Plaintiffs to the control of Defendants
by means of brainwashing. The purpose of forcing submission of

1 Plaintiffs and other individuals to the control of Defendants was
2 to create a slave-like work force that would work to the wealth
3 and benefit of Defendants. Once Plaintiffs were placed under the
4 domination of Defendants, Plaintiffs were exploited against their
5 will to work as uncompensated employees of Defendants, and
6 continuously subjected to physical and psychological trauma,
7 indoctrination and exhaustion.

8 12. For the duration of their affiliation with
9 Defendants, Defendants and each of them employed the following
10 psychological devices, as well as other devices, to cause
11 Plaintiffs to involuntarily abandon their identities, spouses,
12 and loyalties, and deprive Plaintiffs of their independent free
13 will, thereby forcing them to submit to the physical and
14 psychological control of Defendants: Threats of torture;
15 implementation of brainwashing tactics; threats of physical harm
16 for lack of loyalty to Defendants; implementation of an
17 electronic device dubbed the "E Meter" that purportedly measured
18 the degree of Plaintiffs' loyalty to Defendants through
19 electrodes held in Plaintiffs' hands during the course of lengthy
20 interrogations, as described with more particularity herein;
21 sudden involuntary and forceable separation of spouses from one
22 another for many months, and depriving the spouses of
23 communication with one another or allowing them to know where the
24 other was located; willfully and expressly inducing divorce
25 between Plaintiffs; forcibly causing Plaintiffs to work long
26 hours at hard labor in excess of 40 hours a week and eight hours
27 a day without compensation; deliberately inducing fatigue by
28 physical abuse and deprivation of sleep; forcing Plaintiffs to be
housed in animal quarters; deliberately confining Plaintiffs to

1 premises under the control of Defendants and under threat of
2 physical harm without allowing Plaintiffs to leave of their own
3 free will; and threatening Plaintiffs that failure to submit to
4 the power and control of Defendants would result in their
5 becoming "fair game," a term of art coined by Defendants,
6 described more clearly herein.

7 13. During the course of their involuntary affiliation
8 with Defendants, Plaintiffs were, on many occasions, subjected to
9 scrutiny regarding their loyalty to Defendants by being placed on
10 the E Meter. The E Meter is an electronic device used by
11 Defendants that measures the emotional responses of employees of
12 Defendants, such as Plaintiffs, through electrodes held in the
13 hands. Plaintiffs would regularly be interrogated for days on
14 end, not being allowed to sleep, regarding their loyalty or lack
15 thereof to Defendants. The E Meter was comprised of a needle
16 that would rise to levels indicating the degree of credibility
17 and loyalty of the interrogated party.

18 14. Defendants, and each of them, have a known policy
19 of "fair game." This policy directs that any individual or
20 employee who expresses a lack of loyalty to Defendants is open to
21 any form of harassment, economic ruin, or subject to any covert
22 plan designed to cause emotional or physical harm, and/or
23 financial ruin. This plan includes the destruction of a person's
24 business, reputation, and/or framing of false charges of criminal
25 acts. Throughout Plaintiffs' involuntary affiliation with
26 Defendants, they were constantly psychologically tormented with
27 threats of becoming "fair game" within the context of the
28 specialized meaning given the term by Defendants.

1 15. During the course of their "employ" with
2 Defendants, Plaintiff VICKI J. AZNARAN (hereinafter "VICKI") was
3 employed in the so-called Commodore's Messenger Organization,
4 executing the directives of L. RON HUBBARD (herein "Hubbard") in
5 a management capacity. RICHARD was assigned to the personal
6 office of Hubbard in the capacity of Public Relations Expert in
7 charge of creating a positive image of Hubbard among staff and
8 the public.

9 16. In or about 1981, VICKI was ordered to Los Angeles
10 where she was employed as a "missionaire" to purge members of
11 Defendants' organization who had been subjected to civil and
12 criminal prosecution, remove assets of Defendant CHURCH OF
13 SCIENTOLOGY OF CALIFORNIA to overseas trusts where they could not
14 be accessed by plaintiffs or the government, and set up sham
15 corporate structures to evade prosecution generally. RICHARD was
16 sent with VICKI in the capacity of a security investigator who
17 surveilled members of the organizations associated with
18 Defendants for the purposes of determining their loyalty and
19 likelihood that they would testify against Defendants in pending
20 civil and criminal suits, as well as designated "enemies" of the
21 Church. In or about December of 1981, VICKI and RICHARD were
22 ordered to the Religious Technology Center controlled and
23 operated by Defendant RELIGIOUS TECHNOLOGY CENTER, INC., at
24 Gilman Hot Springs, near Hemet, California. VICKI was assigned
25 to work for Defendant AUTHOR SERVICES, INC., in managing the
26 sales of copyright of the book, Dianetics, written by Hubbard.
27 She was also commissioned to reorganize corporate structures and
28 effect sham sales of millions of copies of Dianetics to the
corporate Defendants named herein as a vehicle for transferring

1 assets among them. RICHARD was assigned to supervise the
2 construction of a home for Hubbard with the assistance of some
3 120 other "members" of the various organizations of Defendants.
4 Plaintiffs were assigned to these positions by Defendant DAVID
5 MISCAVIGE (herein "MISCAVIGE") who was operating under
6 instructions of Ann and Patrick Broeker, personal confidants of
7 Hubbard.

8 17. In or about March of 1982, Defendant MISCAVIGE
9 became dissatisfied with the speed at which RICHARD was
10 completing the construction project, and imposed the Team Member
11 System, thereby depriving RICHARD of all of his cards, and
12 thereby forcing RICHARD to work without pay from 9:00 a.m. to
13 12:00 p.m., without any days off, to sleep outdoors, and to eat
14 only rice and beans. Ultimately, RICHARD was punished by being
15 assigned to the Rehabilitation Project Force in Los Angeles where
16 he was made a member of a construction crew working on the
17 renovation of buildings owned and operated by Defendants on the
18 corner of Vermont and Sunset, known as the Cedars of Lebanon
19 Buildings. RICHARD was forced to work long hours again, from
20 9:00 a.m. until 12:00 midnight without any days off at a rate of
21 pay of \$1.25 per week. He was forced to work in this position
22 for 99 days. During the course of his incarceration on the
23 Rehabilitation Project Force, VICKI remained in Hemet where she
24 worked directly for Ann Broeker. Both VICKI and RICHARD were
25 deprived of the right of meeting with each other; nevertheless,
26 VICKI surreptitiously drove to Los Angeles to meet with RICHARD
27 late Friday nights. Both VICKI and RICHARD had been told that if
28 they had been caught meeting or communicating with each other,
they would become "fair game." Finally, on or around

1 Thanksgiving of 1982, RICHARD was deemed "rehabilitated" and
2 returned to the Religious Technology Center in Hemet where he
3 installed a security system around the Hubbard residence, and
4 continued to work in the capacity of security specialist for
5 Defendants.

6 18. In or about October of 1982, Defendants, and each
7 of them, resolved to restructure their corporate and financial
8 relationships at a meeting in San Francisco, which restructuring
9 called for all Scientology entities to turn over their profits to
10 Defendant AUTHOR SERVICES, INC. VICKI expressed disapproval of
11 the proposal and was summarily ordered to the Rehabilitation
12 Project Force in Hemet where, for approximately 120 days, was
13 forced to participate in the "running program." The running
14 program required VICKI and other persons subjected to the control
15 of Defendants to run around an orange telephone pole from
16 7:00 a.m. until 9:30 p.m. in the evening, with 10 minute rests
17 every one-half hour, and 30 minute breaks for lunch and dinner.
18 In or about May of 1983, VICKI was deemed rehabilitated and
19 ordered back to the Religious Technology Center at Gilman Hot
20 Springs. From mid 1983 until the death of Hubbard on January 24,
21 1986, VICKI and RICHARD remained in their respective work
22 capacities at Gilman Hot Springs continually undergoing physical
23 trauma and indoctrination by use of the techniques already
24 described hereinabove.

25 19. On or about January 24, 1986, RICHARD was ordered
26 to the San Louis Obispo ranch of Hubbard where he was forced to
27 work in the capacity of a security guard for a year and a half.
28 During this time, Defendants, and each of them, continued to
force him to work the hours of 9:00 a.m until 12:00 midnight,

1 with the possibility of having one day off every two weeks, at
2 minimum wage. RICHARD was forced to falsify time cards to
3 falsely indicate that he had been working 40 hour work weeks, so
4 as to avoid an obligation on the part of Defendants from paying
5 him overtime. During his stay at the ranch in San Louis Obispo,
6 RICHARD was forced to sleep in a horse stable with several of the
7 other indoctrinated employees of Defendants. During the course
8 of RICHARD's stay at the ranch, VICKI was not told of his
9 whereabouts, nor were Plaintiffs permitted to correspond with
10 each other.

11 20. In or about February of 1987, a schism arose
12 between Defendant MISCAVIGE and the Broekers, each of whom
13 claimed to possess the "upper level Holy Scriptures" written by
14 Hubbard, which scriptures Hubbard had intended to bequeath to the
15 Church. VICKI became increasingly demanding of Defendant
16 MISCAVIGE to be put in contact with RICHARD, and Defendant
17 MISCAVIGE regarded her demands as an expression of allegiance to
18 MISCAVIGE's new religious rival, the Broekers. MISCAVIGE
19 therefore ordered VICKI to the Rehabilitation Project Force at
20 "Happy Valley," a secret location bordering the Soboba Indian
21 Reservation near Gilman Hot Springs, California, overseen and
22 controlled by Defendant NORMAN STARKEY.

23 21. Plaintiff VICKI understood that the consequences
24 of the lack of cooperation was a threat of "fair game," and that
25 Defendants, and each of them, would make efforts to sever her
26 relationship entirely with her husband, as Defendants had done to
27 others. VICKI was further advised that if she went to the
28 Rehabilitation Project Force camp in Happy Valley cooperatively,
she would be able to see RICHARD within a few days. This

1 representation was false when made. In fact, Defendants
2 concealed the true intent which was to keep VICKI totally
3 separated from her husband and deny her access to him.

4 22. Once having arrived at Happy Valley, VICKI was
5 assigned a guard and was not allowed to go anywhere or do
6 anything without her guard being present. At night, she was
7 imprisoned by having heavy furniture moved to secure the exit,
8 keeping her from in any way escaping. Further, Defendants kept,
9 and continue to keep all of her physical belongings including a
10 horse and two dogs.

11 23. VICKI was in fear of being physically prevented
12 from leaving, or subject to "fair game" if she escaped.
13 Plaintiff had seen in the past other victims of Happy Valley be
14 beaten upon attempted escape, and their personal belongings
15 destroyed. During this period of unlawful detention, VICKI was
16 unable to communicate with RICHARD as their correspondence was
17 intercepted and denied. During this period of false
18 imprisonment, VICKI and others were made to wear rags taken out
19 of garbage cans, sleep on the ground, dig ditches, subjected to
20 many hours of indoctrination using the techniques hereinabove,
21 all designed to coercively force VICKI to submit to the control
22 of Defendants. During the time of her incarceration in Happy
23 Valley, Defendants DAVID MISCAVIGE and NORMAN STARKEY were
24 directing and enforcing the coercive and abusive indoctrination
25 devices at Happy Valley.

26 24. On or about April 9, 1987 VICKI and two other
27 victims escaped from Happy Valley onto the Sobova Indian
28 Reservation where they were pursued on motorcycles by guards of
Happy Valley. VICKI and the other victims were rescued by

1 residents of the reservation who picked them up in a pick-up
2 truck and spirited them to a motel in the City of Hemet.

3 25. As these events were transpiring, RICHARD, still
4 at the ranch in San Louis Obispo, was repeatedly urged that VICKI
5 had become disloyal to Defendants, and that RICHARD should
6 divorce her.

7 26. RICHARD demanded to see VICKI and was permitted to
8 go to Hemet where Plaintiffs were reunited. Fearful of reprisals
9 and becoming "fair game," however, Plaintiffs did not at that
10 time sever their relationships altogether with Defendants.
11 Plaintiffs therefore left the State of California to Dallas,
12 Texas where they set up a private investigation business,
13 remaining in contact and under the control of Defendants.

14 27. Because Defendants regarded Plaintiffs departure
15 to Texas as a breach of their five year commitment with
16 Plaintiffs, Defendants submitted a bill for services allegedly
17 rendered to Plaintiffs entitled "freeloader bill" in the amount
18 of \$59,048.02. This bill purports to indicate all of the
19 expenses incurred by Defendants in indoctrination activities
20 imposed upon Plaintiffs. That is, Defendants attempted to charge
21 money to Plaintiffs for each session in which the E Meter was
22 used, all indoctrination sessions, and time spent on the
23 Rehabilitation Project Force. These services are dubbed
24 "courses" and "auditing sessions." Plaintiffs have been required
25 to make payments on this fictitious bill in order to escape
26 becoming "fair game."

27 28. As a result of the psychological trauma and
28 indoctrination techniques applied by Defendants, and each of
them, Plaintiffs were unable to comprehend their legal rights

1 with regard to the actions of Defendants, and were not
2 sufficiently conscious of the nature and effect of the acts of
3 Defendants so as to be able to take legal action or hire an
4 attorney until on or about January 1, 1988. Plaintiffs continued
5 to submit to the demands and requests of Defendants, and remained
6 subjected to psychological trauma imposed by Plaintiffs until on
7 or about January 1, 1988, when they resolved to seek legal
8 assistance.

9 FIRST CAUSE OF ACTION
(False Imprisonment)

10 29. Plaintiffs repeat, reallege and incorporate herein
11 by reference each of the allegations contained in Paragraphs 2
12 through 28, inclusive, of the Common Allegations as though set
13 forth in full below.

14 30. In or about February, 1987, Defendants, and each
15 of them, physically seized Plaintiff VICKI AZNARAN ("VICKI") and
16 forcibly, against her will, and without her consent and over her
17 protest, placed VICKI in the confines of a so-called
18 Rehabilitation Project Force Camp at Happy Valley, California,
19 near the Soboba Indian Reservation, Riverside County. During
20 this time, Defendants, and each of them, employed coercive
21 indoctrination tactics more fully described in Common Allegations
22 above, warned her that she would be "Fair Game," and made
23 representations that they would work to sever her marriage with
24 her husband, Plaintiff RICHARD AZNARAN. Plaintiff VICKI was in
25 fear of being physically beaten, and was under constant guard at
26 all times. During this period of false imprisonment, Plaintiff
27 VICKI and other inmates were made to wear rags taken out of
28 garbage cans, sleep on the ground, dig ditches, and were

1 subjected to numerous hours of indoctrination, all designed to
2 coercively force VICKI to submit to the control of Defendants.
3 On or about April 9, 1987, VICKI was successful in escaping from
4 Happy Valley.

5 31. In employing these coercive and threatening
6 tactics during the course of imprisonment more fully described in
7 Common Allegations, above, Defendants, and each of them, acted
8 with deliberate malice for the purpose of forcing submission of
9 Plaintiff VICKI to their control, so that she would remain in
10 their employ for no consideration whatsoever, under circumstances
11 that can only be described as involuntary servitude.

12 32. As a proximate result of the acts of Defendants
13 set out herein, and in the Common Allegations, above, Plaintiff
14 VICKI was injured in her health, strength, and activity,
15 sustaining injury to her body and shock and injury to her nervous
16 system and person, all of which injuries have caused VICKI to
17 suffer extreme and severe physical pain and mental anguish.
18 These injuries have resulted in, and will continue to result in,
19 some permanent disability to Plaintiff VICKI, and Plaintiff VICKI
20 has been damaged in an amount according to proof at trial.

21 33. Defendants, and each of them, engaged in the false
22 imprisonment of Plaintiff VICKI as herein alleged, and were
23 willful, wanton, despicable, malicious, and oppressive, and their
24 acts justify the awarding of punitive damages, and Plaintiff
25 VICKI is entitled to and hereby demands from Defendants, and each
26 of them, punitive damages in an amount not less than Ten Million
27 Dollars (\$10,000,000.00).
28

1 SECOND CAUSE OF ACTION
2 (Intentional Infliction of Emotional Distress)

3 34. Plaintiffs repeat, reallege and incorporate herein
4 by reference each of the allegations contained in Paragraphs 2
5 through 28, inclusive, of the Common Allegations, Paragraphs 29
6 through 33, inclusive, of the First Cause of Action, as though
7 set forth in full below.

8 35. Defendants, and each of them, represented to
9 Plaintiffs and others, that they were rendering services of a
10 spiritual and psychological nature that would make Plaintiffs
11 better persons. These representations included statements that
12 Scientology would scientifically improve Plaintiffs' well being
13 and make them physiologically better persons. These
14 representations were false when made by Defendants, and each of
15 them, and known to be false when made. Based on the relationship
16 of trust developed between Plaintiffs and Defendants, Defendants,
17 and each of them, were fully aware of the particular
18 susceptibility of Plaintiffs' to emotional distress imposed by
19 them.

20 36. Defendants' conduct, as set out in the Common
21 Allegations, above, was intentional and malicious and done for
22 the purpose of causing Plaintiffs to suffer humiliation, mental
23 anguish, and emotional and physical distress. The conduct of
24 Defendants in confirming and ratifying that conduct was done with
25 the knowledge that Plaintiffs' emotional and physical distress
26 would thereby increase upon application of the indoctrination
27 techniques used by Plaintiffs more fully set out in the Common
28 Allegations, above, including, but not limited to, causing
Plaintiffs to be separated for many months without knowing where

1 the other was located. Such conduct was done with a wanton and
2 reckless disregard of the consequences to Plaintiffs.

3 37. As the proximate result of the aforementioned
4 acts, Plaintiffs suffered humiliation, mental anguish, and
5 emotional and physical distress, and have been injured in mind
6 and body in an amount according to proof at trial.

7 38. The aforementioned acts of Defendants were
8 willful, wanton, despicable, malicious, and oppressive, and
9 justify the awarding of exemplary and punitive damages in an
10 amount not less than Ten Million Dollars (\$10,000,000.00).

11 THIRD CAUSE OF ACTION
(Negligent Infliction of Emotional Distress)

12 39. Plaintiffs repeat, reallege and incorporate herein
13 by reference each of the allegations contained in Paragraphs 2
14 through 28, inclusive, of the Common Allegations, and Paragraphs
15 29 through 33, inclusive, of the First Cause of Action, and
16 Paragraphs 34 through 38, inclusive, of the Second Cause of
17 Action as though set forth in full below.

18 40. From the period of 1973 until 1988, Defendants,
19 and each of them, represented to Plaintiffs and others, that they
20 were rendering services of a spiritual and physiological nature
21 that would make Plaintiffs better persons. These representations
22 included statements that Scientology technology would
23 scientifically improve Plaintiffs' well being and make them
24 psychologically better persons.

25 41. During the course of their affiliation with
26 Plaintiffs, Defendants, and each of them, engaged in the conduct
27 more fully described hereinabove in the Common Allegations.

28 42. As a proximate result of the negligence and
carelessness of Defendants, and each of them, Plaintiffs suffered

1 serious mental anguish and emotional distress and have been
2 injured all to Plaintiffs' damage in an amount to be determined
3 according to proof at trial.

4 FOURTH CAUSE OF ACTION
(Loss of Consortium)

5 43. Plaintiffs repeat, reallege and incorporate herein
6 by reference each of the allegations contained in Paragraphs 2
7 through 28, inclusive, of the Common Allegations, Paragraphs 29
8 through 33, inclusive, of the First Cause of Action, Paragraphs
9 34 through 38, inclusive, of the Second Cause of Action, and of
10 Paragraphs 49 through 42, inclusive, of the Third Cause of
11 Action, as though set forth in full below.

12 44. As a consequence of the conduct of Defendants, and
13 each of them, set out more fully above in the Common Allegations,
14 Plaintiffs were unwillfully separated from each other for long
15 periods of time and were deprived of their right as husband and
16 wife to remain together and in communication.

17 45. Prior to the conduct of Defendants, and each of
18 them, more fully set out in the Common Allegations above, each of
19 Plaintiffs was able to, and did perform his or her duties as a
20 husband or wife. Subsequent to the conduct of Defendants, and as
21 a proximate result thereof, Plaintiffs were unable to perform
22 their necessary duties as spouses to each other, and each was
23 unable to perform their work, services, and duties. By reason
24 thereof, Plaintiffs were deprived of each other's consortium, all
25 to Plaintiffs' damage in an amount according to proof at trial.

26 46. Defendants, and each of them, engaged in said
27 conduct, with the specific intent to injure Plaintiffs, which
28 constitutes oppression, malice, despicable conduct, and a
conscious disregard for the Plaintiffs' rights and, therefore,

1 Plaintiffs are entitled to and hereby demand from Defendants, and
2 each of them, punitive damages in an amount not less than Ten
3 Million Dollars (\$10,000,000.00).

4 FIFTH CAUSE OF ACTION
(Conspiracy)

5 47. Plaintiffs repeat, reallege and incorporate herein
6 by reference each of the allegations contained in Paragraphs 2
7 through 28, inclusive, of the Common Allegations, Paragraphs 29
8 through 33, inclusive, of the First Cause of Action, Paragraphs
9 34 through 38, inclusive, of the Second Cause of Action,
10 Paragraphs 39 through 42, of the Third Cause of Action, and
11 Paragraphs 43 through 46, inclusive, of the Fourth Cause of
12 Action as though set forth in full below.

13 48. During the course of Plaintiffs' affiliation with
14 Defendants, Defendants, and each of them, knowing and willfully
15 conspired, and agreed among themselves, to engage in the tortious
16 activities and wrongful schemes set out in the Common
17 Allegations, above.

18 49. Defendants, and each of them, did the acts and
19 things herein alleged pursuant to, and in furtherance of, the
20 conspiracy and above-alleged agreement.

21 50. Defendants, and each of them, furthered the
22 conspiracy by cooperating with each other and/or lending aide and
23 encouragement to, and/or ratifying and adopting the acts of each
24 other in perpetrating the conspiracy herein alleged.

25 51. As a proximate result of the wrongful acts herein
26 alleged, Plaintiffs have been generally damaged in an amount to
be determined according to proof at trial.

27 52. Defendants, and each of them, did the things
28 herein alleged maliciously and to oppress Plaintiff, and

1 constitute despicable conduct. Plaintiff is therefore entitled
2 to exemplary or punitive damages in a sum of not less than Ten
3 Million Dollars (\$10,000,000.00).

4 SIXTH CAUSE OF ACTION
(Fraud)

5 53. Plaintiffs repeat, reallege and incorporate herein
6 by reference each of the allegations contained in Paragraphs 2
7 through 28, inclusive, of the Common Allegations, Paragraphs 29
8 through 33 inclusive, of the First Cause of Action, Paragraphs 34
9 through 38, inclusive, of the Second Cause of Action, Paragraphs
10 39 through 42, inclusive, of the Third Cause of Action,
11 Paragraphs 43 through 46, inclusive, of the Fourth Cause of
12 Action, Paragraphs 47 through 52, inclusive, of the Fifth Cause
13 of Action as though set forth in full below.

14 54. Defendants, and each of them, represented to the
15 Plaintiffs and others, that they were rendering services of a
16 spiritual and psychological nature that would make Plaintiffs
17 better persons. These representations included statements that
18 Scientology technology would scientifically improve Plaintiffs'
19 well being and make them psychologically better people. These
20 representations were false when made by Defendants, and each of
21 them, and known to be false when made.

22 55. Defendants, and each of them, knew that the
23 practices of the so-called Church of Scientology, its affiliates,
24 and Defendants named herein, were not designed to increase the
25 well being of any of its victims, but were made to coercively
26 persuade each and every follower to dedicate their lives to
27 Defendants in order for Defendants to increase their wealth
28 derived from an overall scheme to make money founded on the
exploitation of free labor. Pursuant thereto, Defendants, and

1 each of them, required Plaintiffs to participate in crimes
2 against the United States Government, including the obstruction
3 of justice and efforts to create corporate structures designed to
4 keep payments from properly being paid to the Internal Revenue
5 Service.

6 56. Pursuant to the fraudulent scheme described
7 herein, Plaintiffs were, subjected to humiliation, degradation,
8 physical labor, and imprisonment, all designed to break down
9 their will and free thinking, and convert them into submissive,
10 frightened and dedicated followers of Defendants.

11 57. In submitting to Defendants' programs, Plaintiffs
12 reasonably relied upon the representations of Defendants, and
13 each of them, and if they had known the truth, Plaintiffs would
14 not have submitted. As a result of said fraudulent conduct,
15 Defendants lost 15 years of their lives, suffered emotional
16 distress and psychological injury, and were deprived of some 15
17 years of salary.

18 58. As a proximate result of the wrongful acts herein
19 alleged, Plaintiffs have been damaged in an amount to be
20 determined according to proof at trial.

21 59. Defendants, and each of them, engaged in said
22 fraudulent activity with the specific intent to injure
23 Plaintiffs, which constitutes oppression, despicable conduct,
24 malice and a conscious disregard for Plaintiffs' rights and,
25 therefore, Plaintiffs are entitled to and hereby demand from
26 Defendants, and each of them, punitive damages in an amount not
27 less than Ten Million Dollars (\$10,000,000.00).
28

SEVENTH CAUSE OF ACTION
(Breach of Contract)

60. Plaintiffs repeat, reallege and incorporate herein by reference each of the allegations contained in Paragraphs 2 through 28, inclusive, of the Common Allegations, Paragraphs 29 through 33, inclusive, of the First Causes of Action, Paragraphs 34 through 38, inclusive, of the Second Cause of Action, Paragraphs 39 through 42, inclusive, of the Third Cause of Action, and Paragraphs 43 through 46, inclusive, of the Fourth Cause of Action, and Paragraphs 47 through 52, inclusive, of the Fifth Cause of Action, and Paragraphs 53 through 59, inclusive, of the Sixth Cause of Action as though set forth in full below.

61. Commencing in or about 1972, Plaintiffs entered into oral and written agreements with Plaintiffs wherein Defendants, and each of them, promised to provide spiritual and psychological services to Plaintiffs. In return, Plaintiffs would work and serve Defendants, and each of them.

62. Defendants, and each of them, breached the said agreements by not providing any spiritual or psychological services, but rather, providing indoctrination, psychological coercion, duress and stress, all designed to break Plaintiffs' will so that they would remain compliant servants to Defendants for the remainder of their lives, and to the use of Defendants in furtherance of illegal conduct and money making schemes. As the result of said breach of agreement as set out both herein and in the Common Allegations, above, Plaintiffs have lost the value of the reasonable services rendered to Defendants, and each of them, during their 15 year affiliation with Defendants. Further, Plaintiffs have lost 15 years of their lives that would have

1 otherwise been spent developing careers and financial security
2 for themselves.

3 63. As a proximate result of the breach of the
4 agreement described herein, and in the Common Allegations above,
5 Plaintiffs have been damaged in an amount according to proof at
6 trial.

7 EIGHTH CAUSE OF ACTION
(Restitution)

8 64. Plaintiffs repeat, reallege and incorporate herein
9 by reference each of the allegations contained in Paragraphs 2
10 through 28, inclusive, of the Common Allegations, Paragraphs 29
11 through 33, inclusive, of the First Causes of Action, Paragraphs
12 34 through 38, inclusive, of the Second Cause of Action,
13 Paragraphs 39 through 42, inclusive, of the Third Cause of
14 Action, and Paragraphs 43 through 46, inclusive, of the Fourth
15 Cause of Action, and Paragraphs 47 through 52, inclusive, of the
16 Fifth Cause of Action, and Paragraphs 53 through 59, inclusive,
17 of the Sixth Cause of Action, and Paragraphs 60 through 63,
18 inclusive, of the Seventh Cause of Action as though set forth in
19 full below.

20 65. Defendants, and each of them, publicly advocate
21 that any person who takes Scientology courses and becomes
22 dissatisfied with the same, is entitled to a refund of the
23 financial compensation paid for the same.

24 66. This representation by Defendants, and each of
25 them, is part of the agreement between Plaintiffs and Defendants
26 for Scientology technology services Plaintiffs have received.
27 Pursuant to said agreement, Plaintiffs have, and are hereby
28 making, demand upon Defendants, and each of them, for the return
of the financial compensation paid for such training and courses.

1 Defendants, and each of them, have placed a
2 monetary value of the services rendered by Defendants, and each
3 of them, at Fifty-Nine Thousand Forty Eight Dollars and Forty
4 Cents (\$59,048.40).

5 68. Plaintiffs, through their labor, have paid the
6 full amount of said monetary value of services and therefore
7 demand return of this sum from Defendants, and each of them, to
8 Plaintiffs.

9 69. Furthermore, Plaintiffs demand the reasonable
10 value of the services they have rendered to Defendants, and each
11 of them, over the period of 1972 to 1988, more fully described in
12 the common allegations, above, in an amount according to proof at
13 trial.

14 NINTH CAUSE OF ACTION
(Invasion of Privacy)

15 70. Plaintiffs repeat, reallege and incorporate herein
16 by reference each of the allegations contained in Paragraphs 2
17 through 28, inclusive, of the Common Allegations, Paragraphs 29
18 through 33, inclusive, of the First Causes of Action, Paragraphs
19 34 through 38, inclusive, of the Second Cause of Action,
20 Paragraphs 39 through 42, inclusive, of the Third Cause of
21 Action, and Paragraphs 43 through 46, inclusive, of the Fourth
22 Cause of Action, and Paragraphs 47 through 52, inclusive, of the
23 Fifth Cause of Action, and Paragraphs 53 through 59, inclusive,
24 of the Sixth Cause of Action, and Paragraphs 60 through 63,
25 inclusive, of the Seventh Cause of Action, and Paragraphs 64
26 through 69, inclusive of the Eighth Cause of Action as though set
27 forth in full below.

28 71. Pursuant to the promises of Defendants, and all of
them, regarding spiritual and psychological counseling,

1 Plaintiffs were forced to participate in "counseling sessions" in
2 which they were forced to reveal that their inner-most private
3 thoughts and feelings. Defendants, and each of them, represented
4 to Plaintiffs that all such information received from the
5 so-called "auditing" sessions employing the use of various
6 psychological techniques, including, but not limited to, the use
7 of the E-Meter described in the Common Allegations above, would
8 be held in confidence and would never be disclosed or put to any
9 use. Said information was of no legitimate public concern.
10 Pursuant to these representations and promises, Plaintiffs
11 participated in the "auditing sessions" and discussed and
12 disclosed their inner-most private thoughts.

13 72. In April, 1987, and prior to April 9, 1987,
14 Defendants, and each of them, read the private file of Plaintiff
15 VICKI J. AZNARAN containing said private information from VICKI's
16 auditing sessions.

17 73. Defendants, and each of them, demanded that VICKI
18 then publicly disclose and give further details concerning
19 further events they had learned from said file concerning various
20 other victims of Defendants. VICKI was advised, warned and
21 threatened that if she did not give further details, Defendants,
22 and each of them, would "get it out of you one way or another."

23 74. As a result of this violation of privacy, VICKI
24 has been humiliated, distraught, and suffered emotional distress,
25 damaging her in an amount according to proof at trial.

26 75. Defendants, and each of them, engaged in said
27 invasion of privacy with the specific intent to injure Plaintiff,
28 which constitutes despicable conduct, oppression, malice and
conscious disregard for Plaintiff's rights and, therefore,

1 Plaintiff is entitled to and hereby demands from Defendants, and
2 each of them, punitive damages in and amount not less than Ten
3 Million Dollars (\$10,000,000.00).

4 TENTH CAUSE OF ACTION
(Breach of Statutory Duty to Pay
5 Minimum Wages and Overtime)

6 76. Plaintiffs repeat, reallege and incorporate herein
7 by reference each of the allegations contained in Paragraphs 2
8 through 28, inclusive, of the Common Allegations, Paragraphs 29
9 through 33, inclusive, of the First Causes of Action, Paragraphs
10 34 through 38, inclusive, of the Second Cause of Action,
11 Paragraphs 39 through 42, inclusive, of the Third Cause of
12 Action, and Paragraphs 43 through 46, inclusive, of the Fourth
13 Cause of Action, and Paragraphs 47 through 52, inclusive, of the
14 Fifth Cause of Action, and Paragraphs 53 through 59, inclusive,
15 of the Sixth Cause of Action, and Paragraphs 60 through 63,
16 inclusive, of the Seventh Cause of Action, Paragraphs 64 through
17 69, inclusive of the Eighth Cause of Action, and Paragraphs 70
18 through 75, inclusive of the Ninth Cause of Action as though set
19 forth in full below.

20 77. During the period from in or about June, 1973, to
21 in or about April, 1987, inclusive, Plaintiffs worked for
22 Defendants, and each of them, for a total of 9,764 man hours,
23 5,648 of which represent regular working hours, and 4,116 hours
24 of which represent overtime hours.

25 78. Plaintiffs are therefore entitled to an amount
26 representing minimum wage for the regular hours worked as well as
27 overtime pay for overtime hours, pursuant to California Labor
28 Code §1194, in an amount according to proof at trial.

1 79. Plaintiffs are also entitled to reasonable
2 attorneys' fees in an amount according to proof at trial,
3 pursuant to §218.5 of the California Labor Code.

4 ELEVENTH CAUSE OF ACTION
5 (Constructive Fraud)

6 80. Plaintiffs repeat, reallege and incorporate herein
7 by reference each of the allegations contained in Paragraphs 2
8 through 28, inclusive, of the Common Allegations, Paragraphs 29
9 through 33, inclusive, of the First Causes of Action, Paragraphs
10 34 through 38, inclusive, of the Second Cause of Action,
11 Paragraphs 39 through 42, inclusive, of the Third Cause of
12 Action, and Paragraphs 43 through 46, inclusive, of the Fourth
13 Cause of Action, and Paragraphs 47 through 52, inclusive, of the
14 Fifth Cause of Action, and Paragraphs 53 through 59, inclusive,
15 of the Sixth Cause of Action, and Paragraphs 60 through 63,
16 inclusive, of the Seventh Cause of Action, Paragraphs 64 through
17 69, inclusive of the Eighth Cause of Action, Paragraphs 70
18 through 75, inclusive of the Ninth Cause of Action, and
19 Paragraphs 76 through 79, inclusive of the Tenth Cause of Action
20 as though set forth in full below.

21 81. Defendants, and each of them, represented to the
22 Plaintiffs and others, that they were rendering services of a
23 spiritual and psychological nature that would make Plaintiffs
24 better persons. These representations included statements that
25 Scientology technology would scientifically improve Plaintiffs'
26 well being and make them psychologically better people. These
27 representations were false when made by Defendants, and each of
28 them, and known to be false when made.

82. As a consequence of the false representations made
by Defendants, and each of them to Plaintiffs, Plaintiffs and

1 Defendants developed a relationship of trust elevating Defendants
2 to the role of fiduciaries of Plaintiffs.

3 83. In submitting to Defendants' programs, Plaintiffs
4 relied upon the representations of Defendants, and each of them,
5 and if they had known the truth, Plaintiffs would not have so
6 submitted. As a result of said fraudulent conduct, Defendants
7 continued to submit to demands of Plaintiffs to their detriment,
8 from the period in or about 1973 until on or about January 1,
9 1988.

10 84. As a proximate result of the wrongful acts herein
11 alleged, Plaintiffs have been damaged in an amount to be
12 determined according to proof at trial.

13 85. Defendants, and each of them, engaged in said
14 fraudulent activity with the specific intent to injure
15 Plaintiffs, which constitutes oppression, malice and a conscious
16 disregard for Plaintiffs' rights and, therefore, Plaintiffs are
17 entitled to and hereby demand from Defendants, and each of them,
18 punitive damages in an amount not less than Ten Million Dollars
19 (\$10,000,000.00).

20 WHEREFORE, Plaintiffs pray for judgment as follows:

21 As to the First Cause of Action:

22 1. For general and special damages according to proof
23 at trial; and

24 2. For punitive damages from Defendants, and each of
25 them, in an amount not less than Ten Million Dollars
26 (\$10,000,000.00);

27 As to the Second Cause of Action:

28 1. For general and special damages according to proof
at trial; and

2. For punitive damages from Defendants, and each of them, in an amount not less than Ten Million Dollars (\$10,000,000.00);

As to the Third Cause of Action:

1. For general and special damages according to proof at trial;

As to the Fourth Cause of Action:

1. For general and special damages according to proof at trial; and

2. For punitive damages from Defendants, and each of them, in an amount not less than Ten Million Dollars (\$10,000,000.00);

As to the Fifth Cause of Action:

1. For general and special damages according to proof at trial; and

2. For punitive damages from Defendants, and each of them, in the amount of Ten Million Dollars (\$10,000,000.00);

As to the Sixth Cause of Action:

1. For general and special damages according to proof at trial;

2. For punitive damages in an amount of not less than Ten Million Dollars (\$10,000,000.00);

As to the Seventh Cause of Action:

1. For general and special damages according to proof at trial; and

As to the Eighth Cause of Action:

1. For general damages according to proof at trial; and

2. For special damages i the amount of \$59,048.40.

1 As to the Ninth Cause of Action:

2 1. For general and special damages according to proof
3 at trial; and

4 2. For punitive damages in an amount of not less than
5 Ten Million Dollars (\$10,000,000.00); and

6 As to the Tenth Cause of Action:

7 1. For general and special damages according to proof
8 at trial; and

9 2. Reasonable attorneys' fees according to proof at
10 trial.

11 As to the Eleventh Cause of Action:

12 1. For general and special damages according to proof
13 at trial; and

14 2. For punitive damages in an amount of not less than
15 Ten Million Dollars (\$10,000,000.00).

16 As to all Causes of Action:

17 1. For cost of suit incurred herein;
18 2. For attorneys' fees incurred; and
19 3. For such other and further relief and the court
20 may deem just and proper.

21 Dated: April 1, 1988

CUMMINS & WHITE

22
23 By: SD 1466

SHELLEY M. LIBERTO
Attorneys for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 41

HON. RAYMOND CARDENAS, JUDGE

RELIGIOUS TECHNOLOGY CENTER, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION; CHURCH OF SCIENTOLOGY)
INTERNATIONAL, A CALIFORNIA NON-PROFIT)
RELIGIOUS CORPORATION; AND CHURCH OF)
SCIENTOLOGY OF CALIFORNIA, A)
CALIFORNIA NON-PROFIT RELIGIOUS)
CORPORATION,)

PLAINTIFFS,)

VS.)

JOSEPH A. YANNY, AN INDIVIDUAL;)
JOSEPH A. YANNY, A PROFESSIONAL LAW)
CORPORATION; AND DOES 1 THROUGH 25,)
INCLUSIVE,)

DEFENDANTS.)

SUPERIOR COURT
CASE NO. BC 033035

REPORTER'S TRANSCRIPT

AUGUST 6, 1991

APPEARANCES:

(AS NOTED ON NEXT PAGE.)

COPY

LINDA STALEY, CSR NO. 3359
OFFICIAL REPORTER

1 CETERA, NOTHING TO DO WITH ADVERSE REPRESENTATION OF
2 SCIENTOLOGY. THEY DO NOT HAVE THE RIGHT --

3 THE COURT: MR. YANNY, I STATED THAT THE TRO WAS TOO
4 BROAD IN THAT IT IS THE COURT'S INTENT NOT TO PRECLUDE
5 ASSOCIATION, DISCUSSION, AND SO FORTH, AND I THOUGHT THAT
6 WOULD SEND THE MESSAGE THAT IF THERE WAS AN ORDER, IT WOULD
7 BE A LOT MORE NARROW THAN THE TRO THAT WAS SIGNED.

8 MR. YANNY: YOUR HONOR, BUT BASED ON THE STRENGTH OF
9 WHAT THEY'VE SHOWN; NOTHING?

10 AND WHAT YOU'RE GOING TO DO BY GIVING THESE,
11 THE MOST LITIGIOUS PEOPLE IN THE CITY OF LOS ANGELES, MAYBE
12 THE STATE OF CALIFORNIA, AND MAYBE THE UNITED STATES,
13 YOU'RE GOING TO GIVE THEM AN ORDER BY WHICH THEY ARE THEN
14 GOING TO HARASS EVERY ONE OF MY EMPLOYEES LIKE YOU SAW THEM
15 DO BEFORE, EVERY ONE OF MY CLIENTS, LIKE YOU SAW THEM DO
16 BEFORE.

17 OKAY. AND THAT, BASED ON THE STRENGTH OF
18 WHAT THEY SHOWED, YOU KNOW, IT IS -- I HATE TO SAY THIS --
19 THAT IS INEQUITABLE -- THAT IS INEQUITABLE -- AND ALL OF
20 THIS BECAUSE I DID ONE THING; I HIRED GERRY ARMSTRONG AS A
21 PARALEGAL TO HELP ME ON THE AZNARAN CASE?

22 THE COURT: NO. ALL BECAUSE --

23 MR. YANNY: I TOLD HIM ABOUT COPYRIGHT NOTICES AND I
24 MADE AN APPEARANCE IN A FEDERAL CASE AND THAT THE JUDGE
25 DISQUALIFIED ME.

26 I DON'T THINK AN ORDER IS APPROPRIATE. THIS
27 CASE SHOULD HAVE BEEN THROWN OUT WHEN YOU SAW THE
28 COMPLAINT.

DECLARATION OF JOSE' A. YANNY

I, Joseph A. Yanny, make the following declarations from personal knowledge and could competently testify as set forth below if called upon to do so.

1. Declarant is a member in good standing of the California State Bar.

2. I am not an attorney in fact or of record in any case between Gerald Armstrong and any Church of Scientology entity, nor have I been consulted in that regard by either Scientology or Mr. Armstrong with respect to his litigation. I am informed that Mr. Armstrong has done quite well without me. I am informed that the court of appeals has recently issued an opinion on July 29, 1991 in that regard.

3. Mr. Armstrong has consulted me on literary matters involving questions of intellectual property. I decline to disclose the substance of that consultation further, but I will note, however, for the record, that that consultation had nothing at all to do with Scientology and had no relationship at all to anything I ever worked on for Scientology.

4. I have considered employing and have employed Mr. Armstrong as a paralegal from time-to-time in the past. I believe it would be inappropriate, if not illegal, to require that I not employ ex-Scientologists. Mr. Armstrong's views on Scientology should not cost him employment with my firm or elsewhere.

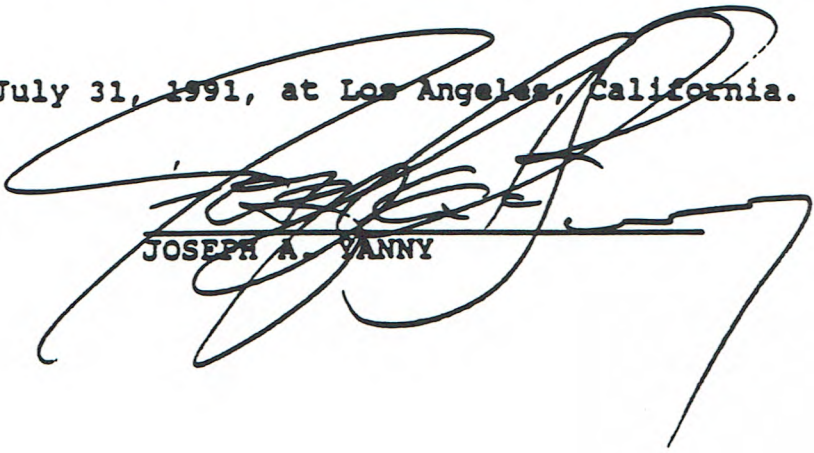
5. In addition, Mr. Armstrong is a potential witness in litigation I am contemplating against Scientology and in the Aznaran case. For example, Scientology has recently libeled me by

1 addition to being seen with Gerald Armstrong, I filed an appearance
2 in the Aznaran case. I sought an extension of time in which to
3 respond to summary judgment motions first from opposing counsel and
4 then from the court. I suggested to Mr. Quinn that they continue
5 the summary judgment hearings until such time as the Aznarans'
6 representation could be straightened out. Scientology declined that
7 most reasonable suggestion. Accordingly, I filed motions to obtain
8 extensions of time. Ultimately, the court revoked the substitution
9 of attorney and reinstated Ford Greene as counsel of record.
10 Presumably, Mr. Greene is responding to pending motions.

11 22. My appearance in the Aznaran case was so transitory
12 that I was personally never in possession of the file. Under the
13 circumstances, I never had an opportunity to do any work on the
14 merits of the case. No discovery or trial preparation was done
15 during my brief tenure as counsel of record.

16 I declare under penalty of perjury under the laws of the
17 State of California and the United States that the foregoing is true
18 and correct.

19 Executed on July 31, 1991, at Los Angeles, California.

20
21 
22 JOSEPH A. VANNY
23
24
25
26
27
28

1
2
3 DECLARATION OF VICKI AZNARAN

4 I, VICKI AZNARAN, hereby declare as follows:

5 1. I am over 18 years of age and a resident of the State
6 of Texas. I have personal knowledge of the matters set forth
7 herein and, if called upon to do so, could and would competently
8 testify thereto.

9 2. From 1972 until 1987, I was a member of various Church
10 of Scientology ("Church") entities. During that time I held a
11 number of important positions in the corporate and ecclesiastical
12 hierarchy of the Church, including President of Religious
13 Technology Center ("RTC") In March of 1987, my husband Richard
14 Aznaran and I left our positions with the Church and returned
15 home to Texas from California.

16 3. On April 1, 1988, Richard and I filed a lawsuit against
17 several Church entities and individuals in the United States
18 District Court for the Central District of California. We have
19 now settled this case through direct negotiations with Church
20 representatives. This declaration details how we were driven to
21 settlement by the failure of our counsel to adequately litigate
22 our lawsuit and how we were forced to negotiate settlement
23 directly with representatives of the defendants due to our
24 counsels' failure to properly represent our interests when
25 defendants earlier had expressed interests in settlement.

26 4. Our lawsuit was filed on April 1, 1988 by the firm of
27 Cummins & White. The suit was finalized and prepared in a rush
28 in an attempt to get it filed before it was barred by the statute
of limitations.

 5. Additionally, despite the fact that I then testified in

1 deposition about the inaccuracies in the complaint, my counsel
2 did not amend my complaint to correct them. These uncorrected
3 falsehoods placed us at a serious disadvantage as they enabled
4 the defendants to seize upon these points to give the impression
5 that we were changing our testimony and deliberately stating
6 falsehoods.

7 6. Another defect in the complaint was the amount of money
8 requested, \$70,000,000. Seventy million was a highly inflated
9 figure and in fact impaired efforts to settle as the amount was
10 so high. Shortly after the suit was filed, I pointed the high
11 amount out to counsel and was told that it could be adjusted
12 later. It never was.

13 7. Another liability to the successful prosecution of our
14 lawsuit was the fact that Cummins & White was disqualified from
15 representing us in our case on September 6, 1988.

16 8. Not being versed in the law, my husband and I relied
17 upon the representations of Barry Van Sickle and Cummins & White
18 that Cummins & White could properly serve as our counsel. This
19 was wrong. Nevertheless Cummins & White expended considerable
20 time and effort to defend their position in this regard, an
21 action which I now understand to have been fought more for their
22 own self-interest than for the advance of my lawsuit. In
23 September 1988 the District Court Judge disqualified Cummins &
24 White as our counsel, specifically finding that Cummins & White
25 was an extension of Yanny's continuing and improper involvement
26 in our case.

27 9. Because Cummins & White was disqualified, we were
28 without an attorney in our case for several months and our case

1 was threatened with dismissal. We were forced to expend
2 considerable effort to find new counsel and get him up to speed
3 while the Church continued to litigate our case. To our
4 detriment, and due to the urgency of having to find counsel in an
5 already ongoing case, we were forced to obtain counsel without
6 the necessary resources to adequately litigate the case.

7 10. Barry Van Sickle's attempts to settle were very weak
8 and ineffective. In June 1991 Mr. Van Sickle reported to us that
9 he had an offer of \$1,000,000 to settle our case and one other.
10 The offered amount for our case was \$200,000 which we rejected as
11 being too low. It was a starting point but despite our efforts
12 to get Mr. Van Sickle to do so, he never succeeded in getting a
13 counter offer to us. Further, Mr. Van Sickle told us that we
14 would have to fire our existing attorney, Ford Greene, as the
15 Church supposedly refused to deal with him in settling the case.
16 As a result we did fire Mr. Greene. Then when Mr. Van Sickle
17 from Cummins & White failed to complete the settlement we were
18 again left without an attorney for a time as Cummins & White had
19 been ordered not to represent us in the case as covered earlier
20 in this declaration.

21 11. After being without counsel for several months, and
22 finding ourselves at a serious disadvantage in complex litigation
23 with the Church defendants, we re-hired Ford Greene to be our
24 counsel, based on an order from the Court.

25 12. It has been our experience that Greene seriously
26 neglected our lawsuit and systematically worsened its posture
27 until it became virtually impossible to salvage.

28 13. From approximately February 1989 onward Ford Greene was

1 attorney of record in our lawsuit against the Church. During
2 that time he did virtually no offensive work on the case, and did
3 nothing of substance to advance our litigation position. Before
4 our case was ordered transferred to Dallas, Texas in August of
5 1992, Greene had only sent out two interrogatories and had did
6 not even take one deposition despite having obtained two
7 extensions of the discovery cut-off. Following the transfer
8 order, Mr. Greene did nothing whatsoever to actually get the case
9 files sent to Dallas, Texas. Meanwhile, no activity has taken
10 place in our case.

11 14. While representing us, Greene was consistently late in
12 filing papers and in several instances placed our case in serious
13 jeopardy by failing to file needed papers. For example, in
14 December 1990 he neglected to oppose a major summary judgment
15 motion which the defendants had filed. He also failed to timely
16 file several mandatory pre-trial papers which could have
17 interfered with our ability to effectively put on our case at
18 trial.

19 15. It was reported to me by Barry Van Sickle that Mr.
20 Green smoked marijuana when he was picked up at the airport by
21 Rick Wynne, a Cummins & White attorney and driven to the office
22 of Cummins & White.

23 16. Furthermore, Greene did not communicate with us
24 regarding activities in our lawsuit and often could not be
25 contacted for extended periods of time. It is my belief that at
26 least one of these periods of non-communication was due to the
27 fact that he had entered a drug rehabilitation program without
28 even informing us that he intended to do so. Ford Greene did

1 nothing effective to settle our case. In fact, he told me he was
2 worried about settling our case as my husband and I would no
3 longer be witnesses for Gerry Armstrong who is a client of Ford
4 Greene and involved in Scientology related litigation.
5 Additionally, he attempted to bill us for work which he did not
6 do.

7 17. In fact, Ford Greene solicited us to pay a monthly
8 stipend to him for Gerry Armstrong so he could work on our case.
9 Armstrong was precluded by an earlier agreement from working on
10 Church litigation.

11 18. Furthermore, like Cummins & White, Greene was aware of
12 the errors in the complaint and never prepared an amended
13 complaint. In fact, he "developed" the case so that the
14 defendants were able to accuse my husband and myself of
15 engineering several contradictory versions of the underlying
16 facts of the complaint. Thus Greene's "management" of the
17 complaint set us up so that we would be faced at trial with
18 seemingly contradictory positions which would undermine our
19 credibility.

20 19. Greene's inactivity, neglect, mismanagement, and
21 failure to communicate with us endangered our lawsuit. In our
22 view, Mr. Greene's failure to prosecute this case is tantamount
23 to malpractice. Based upon this history, we developed the
24 conviction that Greene would be unable to handle the trial.
25 While we would have preferred to get rid of Greene completely, we
26 hesitated to do so because we knew that it would be extremely
27 difficult for new counsel to rapidly learn the facts of the case
28 on the eve of the trial.

1 20. In an attempt to resolve this dilemma, we hired John
2 Elstead to be our attorney with Ford Greene. Elstead was
3 recommended to us by Margaret Singer, a psychologist whom we
4 intended to use at trial. Like Greene, Elstead has also
5 neglected to prosecute or advance our case.

6 21. My husband and I have always been willing to settle our
7 lawsuit and, in fact, considered it likely that the case would
8 end through settlement rather than trial. In the summer of 1991
9 John Elstead contacted counsel for the defendants to see if there
10 was an interest in settlement. Rather than presenting an
11 acceptable demand, indicative of a serious interest in
12 settlement, Elstead demanded \$3,300,000. This was rejected
13 immediately by defendants who did not consider it a serious
14 opening demand and did not treat it as a basis for negotiations.

15 22. In the late summer of 1992, after the case had been
16 ordered transferred to Dallas, Elstead met with the General
17 Counsel for the Church of Scientology International to discuss
18 settlement. He got nowhere.

19 23. Seeing that the viability of our lawsuit had been
20 seriously endangered through the neglect and malfeasance of our
21 attorneys, my husband and I felt compelled to take matters into
22 our own hands to resolve this litigation in our best interests.
23 In January of 1994 I spoke directly with Mike Rinder, a senior
24 executive of the Church of Scientology International concerning
25 settling the lawsuit. In the course of discussing settlement
26 with him in this and subsequent conversations, I came to realize
27 that my attorneys had blocked possible settlement for several
28 years. Consistently they failed to convey our true interest in

1 negotiating a satisfactory end to the litigation. Shortly
2 thereafter, Graham Berry approached us to see if he could
3 negotiate a settlement on our behalf, by falsely claiming he had
4 been contacted by the church making settlement overtures.
5 Desperate to resolve this matter, I told him to go ahead.
6 Instead of making a serious offers, on February 16, 1994 Berry
7 demanded \$3,600,000 for the settlement of our case along with
8 various threats that he was not authorized make. Again this was
9 not a serious attempt to settle.

10 24. Finally I communicated directly with a representative
11 of one of the Church of Scientology defendant organizations. It
12 was only when my attorneys were no longer need that both sides
13 were able to discover that our positions were not that far apart
14 and settlement talks were feasible.

15 25. In sum, it has been my observation that the counsel
16 which my husband and I have employed have not only prolonged the
17 litigation of our lawsuit, but have mishandled the development of
18 the case for trial, and interfered with the process of
19 settlement. By their actions described above, my counsel appear
20 to have consistently put their own interests above those of
21 myself and my husband and have failed to adequately carry out
22 their responsibilities as members of the Bar. I am convinced we
23 would not have been able to resolve our case had we not done so
24 directly with the Church.

25 ///

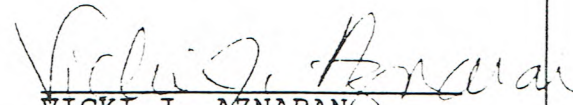
26 ///

27 ///

28 ///

1 I declare under the penalty of perjury under the laws of the
2 United States of America, and under the laws of each individual
3 state thereof, including the laws of the states of California and
4 Texas, that the foregoing is true and correct.

5 Executed this 19th day of May, 1994 in Dallas, Texas.

6
7 
8 VICKI J. AZNARAN
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

HUB LAW OFFICES
Ford Greene, Esquire
California State Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Defendant
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation;

Plaintiffs,

vs.

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

No. BC 052 395

ARMSTRONG'S RESPONSES TO
CSI'S REQUESTS FOR ADMISSION

TO ALL INTERESTED PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PROPOUNDING PARTY: Plaintiff Church of Scientology International

RESPONDING PARTY: Defendant Gerald Armstrong

SET NO: One.

REQUEST FOR ADMISSION NO. 1

During 1990 and 1991, you voluntarily provided aid and/or
advice to Bent Corydon and/or Corydon's attorney, Toby Plevin, in
the case of Bent Corydon v. Church of Scientology International,
et al., Los Angeles Superior Court Case No. C 694401.

1
2 RESPONSE TO REQUEST FOR ADMISSION NO. 1

3 Armstrong objects to this request for admission on the
4 grounds that it is vague and ambiguous as to phrase "aid and/or
5 advice." If the phrase is given the widest of meanings
6 imaginable, or an unqualified meaning, then Armstrong submits an
7 unqualified admission.

8 REQUEST FOR ADMISSION NO. 2

9 In May, 1992, you voluntarily provided a declaration to Gary
10 M. Bright and/or Jerold Fagelbaum.

11 RESPONSE TO REQUEST FOR ADMISSION NO. 2

12 Admitted.

13 REQUEST FOR ADMISSION NO. 3

14 Gary M. Bright and Jerold Fagelbaum are attorneys for
15 defendants and counter-claimants David Mayo, Church of the New
16 Civilization, John Nelson, Harvey Haber, Vivien Zegal and DeDe
17 Reisdorf in the case of Religious Technology Center, et al. V.
18 Robin Scott, et al., United States District Court for the Central
19 District of California, Case No. CV 85-711 JMI (Bx).

20 RESPONSE TO REQUEST FOR ADMISSION NO. 3

21 Armstrong lacks sufficient information to be able to admit of
22 deny this request. Armstrong objects to this request, moreover,
23 on the ground that it seeks information which is more easily
24 available to Scientology than Armstrong. Scientology knows who
25 the parties and attorneys of record are in its various
26 litigations, including the case cited in its request. All that
27 notwithstanding, and lacking no information to the contrary,
28 Armstrong submits an unqualified admission.

1 REQUEST FOR ADMISSION NO. 4

2 You worked as a paralegal for attorney Ford Greene since
3 August, 1991.

4 RESPONSE TO REQUEST FOR ADMISSION NO. 4

5 Armstrong objects to this request for admission on the
6 grounds that it is vague and ambiguous as to to the term
7 "paralegal." Nevertheless, omitting that term, Armstrong admits
8 that he has worked for Ford Greene since August, 1991, and is
9 interalia, an unqualified self-admitted paralegal. With that
10 understanding Armstrong submits an unqualified admission.

11 REQUEST FOR ADMISSION NO. 5

12 You attended the convention of the Cult Awareness Network in
13 November, 1992.

14 RESPONSE TO REQUEST FOR ADMISSION NO. 5

15 Admitted.

16 REQUEST FOR ADMISSION NO. 6

17 In November, 1992, you provided a videotaped interview to
18 Jerry Whitfield.

19 RESPONSE TO REQUEST FOR ADMISSION NO. 6

20 Admitted.

21 REQUEST FOR ADMISSION NO. 7

22 In June, 1993 you gave an interview to one or more reporters
23 from Newsweek magazine.

24 RESPONSE TO REQUEST FOR ADMISSION NO. 7

25 Armstrong admits that he gave an interview to a reporter from
26 Newsweek magazine, but lacks sufficient information to be able to
27 know if said interview was in May or June of 1993. He has made a
28 diligent search but has no confirming facts otherwise and either

1 way.

2 REQUEST FOR ADMISSION NO. 8

3 In August, 1993, you gave an interview to one or more
4 reporters from Entertainment Television.

5 RESPONSE TO REQUEST FOR ADMISSION NO. 8

6 Armstrong admits that he gave an interview to a reporter from
7 Entertainment Television, but that said interview could have been
8 in July of 1993. With that as an understanding, Armstrong submits
9 an unqualified admission.

10 REQUEST FOR ADMISSION NO. 9

11 In August, 1993, you provided a copy of a manuscript entitled
12 "ONE HELL OF A STORY An Original Treatment for Motion Picture
13 Purposes Created and Written by Gerald Armstrong to Entertainment
14 Television.

15 RESPONSE TO REQUEST FOR ADMISSION NO. 9

16 Armstrong admits that he provided "One Hell of a Story" to
17 Entertainment Television, but that said provision could have been
18 in July of 1993. With that as an understanding, Armstrong submits
19 an unqualified admission.

20 REQUEST FOR ADMISSION NO. 10

21 In June, 1993, you helped form a Colorado corporation called
22 "Fight Against Coercive Tactics, Inc." (hereinafter, "FACTI").

23 RESPONSE TO REQUEST FOR ADMISSION NO. 10

24 Armstrong objects to this request for admission on the
25 grounds that it is vague and ambiguous as to the terms "helped and
26 form."

27 REQUEST FOR ADMISSION NO. 11

28 From June, 1993 until June, 1994 you were the President of

1 FACTI.

2 RESPONSE TO REQUEST FOR ADMISSION NO. 11

3 Denied.

4 REQUEST FOR ADMISSION NO. 12

5 FACTI maintains and operates an electronic "library" in the
6 form of a computer bulletin board which contains, inter alia,
7 documents relating to plaintiff.

8 RESPONSE TO REQUEST FOR ADMISSION NO. 12

9 Armstrong lacks sufficient information to be able to admit or
10 deny this request. Aside from the fact that Armstrong has no
11 actual knowledge of anything Fight Against Coercive Tactics (Fact)
12 does, lacking facts to the contrary, Armstrong submits an
13 unqualified admission.

14 REQUEST FOR ADMISSION NO. 13

15 You provided documents to FACTI with the intention that those
16 documents would become a part of its electronic library.

17 RESPONSE TO REQUEST FOR ADMISSION NO. 13

18 With the understanding that Armstrong does not know of the
19 existence of such a library, has never seen neither it nor one,
20 and understanding that by "intention" is meant "hope," Armstrong
21 submits an unqualified admission.

22 REQUEST FOR ADMISSION NO. 14

23 In January, 1994, FACTI sent a mailing to hundreds of people
24 requesting negative information about Scientology entities and
25 related individuals "to assist ongoing litigation."

26 RESPONSE TO REQUEST FOR ADMISSION NO. 14

27 Armstrong lacks sufficient information to be able to admit or
28 deny this request numerically. Armstrong objects to this request

1 for admission on the grounds that it is vague and ambiguous as to
2 the terms "negative information," entities" and "related
3 individuals."

4 REQUEST FOR ADMISSION NO. 15

5 In February, 1994, you voluntarily provided a declaration to
6 Graham Berry, Gordon Calhoun and/or Lewis, D'Amato, Brisbois &
7 Bisgaard, attorneys for Uwe Geertz.

8 RESPONSE TO REQUEST FOR ADMISSION NO. 15

9 Admitted.

10

11 DATED: July 21, 1994

12

13

14

15

16

17

18

19

20

21

22

23

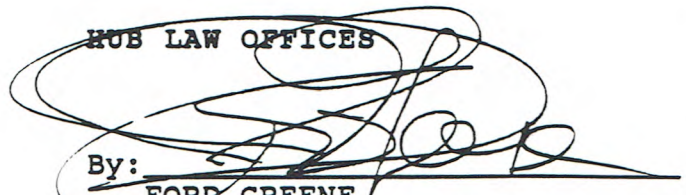
24

25

26

27

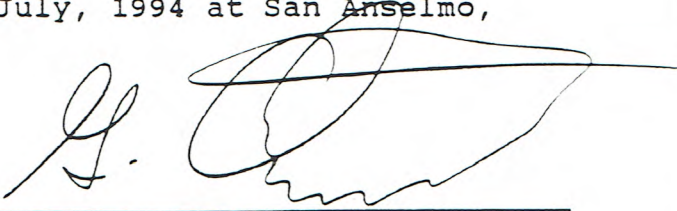
28

HUB LAW OFFICES

By: FORD GREENE
Attorney for Defendant
GERALD ARMSTRONG

VERIFICATION

My name is Gerald Armstrong and as defendant in the above action have received for foregoing responses to CSI's requests for admission and as to the same hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 21st day of July, 1994 at San Anselmo, California.



GERALD ARMSTRONG

EXHIBIT N

711 SIR FRANCIS DRAKE BOULEVARD
SAN ANSELMO, CALIFORNIA 94960-1949
(415) 258-0360

HUB LAW OFFICES
Ford Greene, Esquire
California Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N.
AZNARAN,

Plaintiffs,

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,

Defendants.

AND RELATED COUNTER CLAIM

No. CV-88-1786-JMI(Ex)

DECLARATION OF GERALD
ARMSTRONG IN OPPOSITION
TO MOTION TO EXCLUDE
EXPERT TESTIMONY

I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

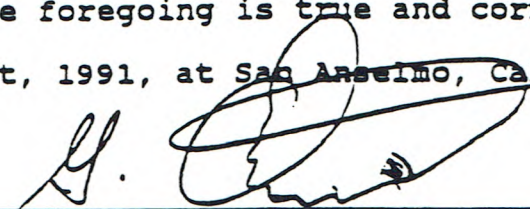
2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

1 and studied his letter dated September 7, 1955 to the Federal
2 Bureau of Investigation and I provided a copy of it to writer, Omar
3 V. Garrison for his use in a biography of Hubbard. A true and
4 correct copy thereof is attached hereto as Exhibit 1.

5 3. While I was a Scientologist I read and studied L. Ron
6 Hubbard's Technical Bulletin of July 22, 1956. It was published in
7 the 1970's in bound volumes of Hubbard's "technical" writings and
8 has continued to be published in later volumes up to the present
9 time. A true and correct copy is attached hereto as Exhibit 2.

10 Under penalty of perjury, pursuant to the laws of the United
11 States I hereby declare that the foregoing is true and correct.

12 Executed this 26th day of August, 1991, at San Anselmo, California.



GERALD ARMSTRONG

EXHIBIT 1

Box 242

Silver Spring, Md.

Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

Gentlemen:

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD; the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Menkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

00- 79

With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be interested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

SEE REVERSE SIDE FOR
ADD. DISSEMINATION

RECORDED-1041
Concurrently with this in Phoenix, Arizona

20 SEP 7 1955

58
101
SEP 20 1955

A-29

our Mr. Edd Clark was suddenly arrested "for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and ~~have~~ no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"....

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly

we became subject of violence. . . people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we so informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the same way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptoms whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness

which now has been into three states. (S)
do this for us?

I am getting additional copies of the material which was offered to the Defense Department since that agency has not acknowledged or returned anything shipped to it about brain-washing and when I have these copies I will send one to you for this is the only starting place I know about for this outbreak and the matter, while far from conclusive at least tells me that something went astray which was dangerous in the wrong hands.

Could you please have your Phoenix office obtain the names of the people who defamed us to the County Attorney? Your Bay Area and Richland offices have already been apprised of the incidents in those areas.


L. Ron Hubbard

00 82

(17) 22

EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

RUSH

July 22nd. 1956

To U.S. ONLY Julia Lewis, Dick Stevens, L. Ron Hubbard, Jr.

To England ONLY Administrative Secretary (Jack Parthoum)
Director of Processing (Ann Walker)
Director of Training (Dennis Stephens)

Staff Auditors, instructors and Auditors close to Operations only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement but I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NIRS has just cracked two six-year-standing Black Five using some of this material and Herbie Parthoum has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have time and environment in which to audit them.

We can make home visits. (AND give a grin to those who kept standing around blessing, "Where are the clients?")

We know more about life now than life does—for a fact, since it was reaching, we can communicate about the reactions.

The process is concerned with "making it solid" combined with effects. It isn't easy. It is wonderfully complex and delicate. But it has been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum restimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for hours until he is under auditor's control, in session and (often) exteriorized.
2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-cold mass or an electric shock. This "drank up" bank electrocally (brainwashed him). The energy drank turned black. Hence black mass. (Does not apply only to black cases however.)

3. Run, interspersed with solids and "objective can't have" on the room. "Tell me an effect object (that drank bank) could not have on you," and "Tell me an effect you could have on object." Object may be electrodes or supercold plate or even a supercold glass.

473

00 85

382

EXHIBIT

4

PAGE 8

Caution, handle one vacuum at a time. These vacuums go back for 76 Trillion years. They were the original brainwash thatans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are punks, modern shock too feeble to do more than restimulate old vacuums).

Take the vacuum that comes up running solids, or even "Recall I can't have", whatever it is and solve it as above.

This is definite auditing. If you restimulate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parkhouse is no slouch.

CAUTIONARY

This is true--

1. We have created the permanent stable clear.
2. In creating him we have a home novis in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 sec to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the toughest grade from away back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could raise the Devil literally.
4. Because we know more than the Immunity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now only if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact regimen of this will be SLP 8 and will include the total picture of separating vacuum from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L. RON HUBBARD

P.S. (Actually, contrary to rumor, it hasn't all been done before. If it had been, the guy who is trying it has would be clear!)

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coercion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong \$800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]

[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: \$800,000. \$800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.

1 Jerold Fagelbaum, Esq.
2 **LAW OFFICES OF JEROLD FAGELBAUM**
3 2029 Century Park East, Suite 3270
4 Los Angeles, California 90067
5 Telephone: (310) 286-7684

6 Attorneys for Defendants and Counter-Claimants
7 DAVID MAYO, AND THE CHURCH OF NEW CIVILIZATION

8 Gary M. Bright, Esq.
9 **BRIGHT & POWELL**
10 5464 Carpinteria Avenue, Suite E
11 Carpinteria, California 93013
12 Telephone: (805) 684-8480

13 Attorneys for Defendants and Counter-Claimants
14 DAVID MAYO, CHURCH OF NEW CIVILIZATION, and Defendants
15 JOHN NELSON, HARVEY HABER, VIVIEN ZEGEL AND DEDE REISDORF

16 **UNITED STATES DISTRICT COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**

18 RELIGIOUS TECHNOLOGY CENTER, a) CV 85-711 JMI (Bx)
19 California corporation, et al.,) CV 85-7197 JMI (Bx)
20)
21 Plaintiffs,)

22 vs.)

23 ROBIN SCOTT, an individual,)
24 et al.)
25 Defendants.)

26 RELIGIOUS TECHNOLOGY CENTER, a)
27 California corporation, et al.,)
28 Plaintiffs,)

29 vs.)

30 LARRY WOLLERSHEIM, an)
31 individual, et al.,)
32 Defendants.)

33 AND RELATED COUNTER-CLAIMS)

SUPPORTING DECLARATION OF
GERRY ARMSTRONG TO
DEFENDANTS' AND COUNTER-
CLAIMANTS' OPPOSITION TO
PLAINTIFFS' AND COUNTER-
DEFENDANTS' MOTION FOR
PROTECTIVE ORDER RE FIFTH
REQUEST FOR PRODUCTION OF
DOCUMENTS OR THINGS AND FOR
SANCTIONS

DATE: June 10, 1992
TIME: 5:00 P.M.
CTRM: Hon. James G. Kolts
Special Master,
Pasadena, Hilton

DECLARATION OF GERRY ARMSTRONG

I, Gerry Armstrong, declare:

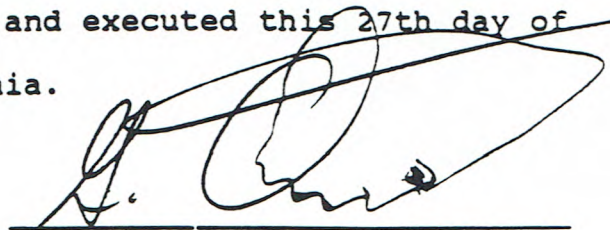
1. I am a party to that litigation known as Church of Scientology of California v. Gerald Armstrong, L.A.S.C. Case No. 420153 (hereinafter the "Armstrong" litigation).

2. I am familiar with the pleadings and records in the Armstrong litigation and submit this Declaration based upon my own personal knowledge of the matters contained herein, and if called as a witness, could and would competently testify thereto.

3. Exhibit "A" hereto are true and correct copies of Reporter's Transcripts of Proceedings held in the Armstrong litigation before the Honorable Paul G. Breckenridge, Jr.

4. Attached hereto as Exhibit "C" is a true and correct copy of a Supplemental Affidavit filed by myself in that litigation known as Tonja Burden v. Church of Scientology California, United States District Court, Middle District of Florida, Case No. 80-501-CIV-T-K.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration is made and executed this 27th day of May, 1992 at Los Angeles, California.



GERRY ARMSTRONG

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 57

HON. PAUL G. BRECKENRIDGE, JR., JUDGE

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Plaintiff,

vs.

No. C 420153

GERALD ARMSTRONG,

Defendant.

MARY SUE HUBBARD,

Intervenor.

REPORTERS' TRANSCRIPT OF PROCEEDINGS

Friday, May 11, 1984

APPEARANCES:

(See Appearances Page)

VOLUME 10

Pages 1564 - 1739, incl.

NANCY L. HARRIS, CSR 644

HERBERT CANNON, CSR 1923

Official Reporters

COPY

1
2
3 APPEARANCES:

4 For the Plaintiff:

PETERSON & BRYMAN
BY: JOHN G. PETERSON
8530 Wilshire Boulevard
Suite 407
Beverly Hills, California 90211
(213) 659-9965

7
8 -and-

9 ROBERT W. HARRIS
The Oviatt Building
617 South Olive Street
Suite 915
Los Angeles, California 90014
11 (213) 626-3271

12 For the Intervenor:

13 LITT & STORMER
BY: BARRETT S. LITT
Paramount Plaza
3550 Wilshire Boulevard
Suite 1200
Los Angeles, California 90010
16 (213) 386-4303

17 -and-

18 BARRETT S. LITT
BY: MICHAEL S. MAGNUSON
The Oviatt Building
617 South Olive Street
Suite 1000
20 Los Angeles, California 90014
(213) 623-7511

21
22 For the Defendant:

23 CONTOS & BUNCH
BY: MICHAEL J. FLYNN
-and-
24 JULIA DRAGOJEVIC
5855 Topanga Canyon Boulevard
Suite 400
25 Woodland Hills, California 91367
26 (213) 716-9400
27
28

INDEX FOR VOLUME 10

Pages 1564 - 1739, incl

Day	Date	Page
-----	------	------

WITNESS

DEFENSE:

DIRECT

ARMSTRONG, Gerald
(resumed)
(resumed)

1565
1658

EXHIBITS

DEFENSE:

FOR IDENTIFICATION

DD - Document re Dive Bomber, 2-11-80	1579
EE - 3-page letter, Wertheimer to Brennan, 11-17-80	
FF - 2-page letter, Wertheimer to Brennan, 12-2-80	
GG - 1-page letter, Brennan to Wertheimer, 1-2-81	1633
HH - 4-page letter, 10-23-81 & 1 page, 10-23-81	1653
II - 6-page letter, Gerry to Cirrus, 11-25-81	1654
JJ - 9-page letter, Young to Sue, 11-18-81	1666
KK - 1-page handwritten letter, to Sue, 11-28-81	1672
LL - 1-page letter, Vaughn to Karin, 11-28-81	1676
MM - 6-page document	
NN - 1-page document	
OO - Letter, 12-16	1697
PP - Document, 2-18-82	1698
QQ - letter, 2-24-82	1702
RR - ECO policy letter, 10-18-87	1704
SS - Two color photographs	1730

9-1

1 Q A 35-foot sailboat?

2 A Yes.

3 Q Okay. Now did that situation with Mr. Parsons
4 end up in litigation?

5 A Yes.

6 Q And are those litigation records under seal?

7 A Yes.

8 Q Now were there other records that you found
9 under seal that indicated Mr. Hubbard's physical condition up
10 until 1949?

11 A There is a great number of records on that
12 subject.

13 ~~Q~~ Okay. Now after you found that these contradic
14 existed, what did you do?

15 A Well, right at this time or shortly thereafter

16 ~~Laurel was signed to a mission,~~ a mission which is called
17 MCCS, Mission Corporate Category Sort-Out, and she was
18 going to be having extensive dealings with Mr. Hubbard's
19 attorney, Alan Wertheimer, and his tax attorney at that time,
20 Jim Murphy, both of whom had offices in Beverly Hills. So
21 we were at that time in Gilman Hot Springs and it was decided
22 that it would make more sense if we moved into Los Angeles.

23 Laurel was to move. I was at some point asked
24 to be her second on the mission. There was a mission in
25 charge, and if there is more mission personnel, they are
26 designated second, third, fourth, fifth, sixth et cetera,
27 and I was to be the mission second.

28 Q And this was what they called the MCCS mission?

9-2

1 A Right.

2 In addition, all the top personnel of the
3 CMO at that point also moved into Los Angeles, and they moved
4 all the international management personnel from Gilman Hot
5 Springs into Los Angeles, so it made more sense because we
6 would be dealing with those personnel and dealing with
7 attorneys to move into Los Angeles. So I moved at that point
8 along with Laurel, and I moved in all the materials which
9 were from archives, the archives which I was establishing at
10 that point. I principally had only the materials from
11 Del Sol, so I moved into Los Angeles.

12 Q And the purpose of the move was because of the
13 MCCS Mission?

14 A Right.

15 Q Now, did the MCCS Mission become inter-related
16 to the biography project over the next year and a half?

17 A Yes.

18 Q And did it become an integral part of the
19 biography project?

20 A Well they were connected. I wouldn't say that
21 MCCS was a part of the biography project. Maybe the biograph
22 project was part of MCCS.

23 MCCS dealt with a number of subjects, one of
24 which was the biography contract and the biography project.

25 Q Now, what was the purpose of the MCCS Mission?

26 MR. HARRIS: I will object, Your Honor; no foundation

27 THE COURT: Well if you know.

28 THE WITNESS: The purpose of the MCCS Mission was to

1 allow or set up the legal procedures or steps or mechanisms
2 by which Mr. Hubbard could retain control but not be responsible
3 for the organization.

4 Q BY MR. FLYNN: How do you know that, Mr. Armstrong?

5 A Because I was involved in the initial briefing
6 and in the correspondence from Mr. Hubbard which were given
7 to Laurel and myself at the outset.

8 I also was involved in a number of meetings,
9 discussions with Laurel Sullivan and similar discussions
10 with Alan Wertheimer.

11 MR. HARRIS: Your Honor, at this point I will move to
12 strike as a conclusion of the witness based upon hearsay,
13 or if not, attorney-privileged communication which he is
14 disclosing at this point.

15 The MCCS Mission, the subject of the corporate
16 sort-out, involved many attorneys and involved church personnel
17 who were in liaison with such attorneys in respect to church
18 matters and sorting out corporate church matters as well as
19 the relationship of the founders of the church, and on that
20 basis I'd move to exclude any further testimony in respect
21 to that.

22 MR. LITT: Furthermore, Your Honor, the church can
23 provide documents that show what the purpose of this is.
24 This implication -- there is no foundation for his statement
25 statement of what he recalls.

26 If the court wants, we can provide in camera to
27 the court whatever documents are necessary to show that this
28 whole activity was directed by attorneys for the purpose of

1 determining the various inter-relationships between a number
2 of different church organizations and the founder of
3 Scientology.

4 This whole subject matter is wrong. The
5 characterization that has been given, there is no foundation
6 for. It is inaccurate and it cannot be used as an
7 excuse to not begin to probe into this area.

8 We are very concerned about this question.
9 We are prepared to provide the court whatever materials are
10 needed. We are prepared to bring the attorneys involved.

11 We have some memoranda which can be submitted
12 to the court by this afternoon on this area, and we just
13 don't think it can be gotten into. This is just improper.
14 Everything that was done on this mission, this was a mission
15 to regain attorneys, gather facts for attorneys, provide those
16 facts to attorneys, get advice from those attorneys about
17 how to solve a variety of problems concerning these inter-
18 relationships.

19 This man was an employee of the church at the
20 time when all of this occurred, and to the extent he has any
21 such knowledge, he may not divulge it. He may not characteri-
22 it.

23 MR. FLYNN: If I could be heard, Your Honor.

24 THE COURT: All right.

25 MR. FLYNN: At this point, I have in my preparation
26 of the examination restricted it to the briefing with
27 Laurel Sullivan which was just described to the court laying
28 a foundation for what is going to become readily apparent to

1 be a very important issue in this-lawsuit for the following
2 reasons:

3 The MCCS Mission worked together with the
4 biography project because the biography project in the
5 collection of the documentation, particularly documents
6 relating to the Hubbard-Explorational Company Operation
7 Transport Corporation, OTS, and a corporation called
8 Religious Research Foundation, all of which documents or
9 most of which documents Mr. Armstrong collected, basically
10 revealed that from --

11 MR. LITT: Your Honor --

12 THE COURT: Let counsel finish.

13 MR. LITT: Your Honor, I am afraid -- if we can have
14 an in-camera thing on this. This has happened before. He
15 cannot refer to contents of any privileged conversations.

16 MR. FLYNN: I won't. Your Honor.

17 MR. LITT: Okay.

18 MR. FLYNN: I won't refer to any privileged communicati

19 The sealed documents in part, together with
20 the other 98 percent of documents that are in the Armstrong
21 Archives which are not here, basically reveal that throughout
22 the period of time that Mr. Armstrong was working for
23 Mr. Hubbard, as he has testified to, and he believed that
24 Mr. Hubbard was only making \$35,000 per year from the church,
25 as he has testified to, and as he testified was represented
26 to everyone -- everyone that he knew have related to the
27 Church of Scientology.
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 57 HON. PAUL G. BRECKENRIDGE, JR., JUDGE

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

Plaintiff,

vs.

GERALD ARMSTRONG,

Defendant.

MARY SUE HUBBARD,

Intervenor.

No. C 420 153

REPORTERS' DAILY TRANSCRIPT

Thursday, May 24, 1984

VOLUME 19A

Pages 3000 - 3194, incl.

APPEARANCES:

(See Volume 15)

COPY

NANCY HARRIS, CSR #644
HERBERT CANNON, CSR #1913
Official Reporters

INDEX FOR VOLUME 19

Pages 3000 - 3154, incl

DAY	DATE	PAGE
-----	------	------

DEFENSE:	WITNESS		VOIR
	DIRECT	CROSS	DIRE
SULLIVAN, Laurel			
(Resumed)	3000-P		3013-L
(Resumed)	3014-P		
(Resumed)	3111-F		3136-H
(Resumed)	3137-F	3151-E	

PLAINTIFF'S:	EXHIBITS	FOR IDENTIFICATION
76 - Laurel Sullivan Application		3156
77 - Laurel Sullivan Contract		3159

1 I did the one to Los Angeles and then a repeat
2 one to Los Angeles.

3 I did some local ones. I am not familiar with
4 them all from the ship. I have done them. I have done
5 probably 16 or 18 over the whole time I was in Scientology.

6 Q And who sent you on these missions?

7 A Well, there would be a briefing officer who
8 briefed you and sometimes you would get a chance to talk to
9 L. Ron Hubbard or sometimes you would not. Sometimes he would
10 send notes down; sometimes he would do an evaluation and you
11 would read that evaluation if you were the one selected to
12 go.

13 Q And, for example, the LA mission was to
14 rejuvenate -- bring up the gross income of a LA
15 organization?

16 A That was basically it.

17 In that particular case that was one mission
18 which was briefed, written by him, briefed by him and
19 monitored by him for a number of months.

20 Q Now, without going through all of the posts and
21 all of the missions that you held, at one point you became
22 the senior Pers PRC of L. Ron Hubbard?

23 A Yes.

24 Q When was that?

25 A That was in November, 1973.

26 Q Just prior to that time had you held a post in
27 the Hubbard communications office?

28 A Yes.

1 Q Now, what essentially were your duties as a
2 senior personal public relations officer of L. Ron Hubbard?

3 A My first duty was to assist LRM in his activities
4 in production. And that was stressed routinely as my first
5 duty.

6 Q What does that mean?

7 A What that meant was if he went ashore or if he
8 conducted any kind of personal or management business at all,
9 I was to assist him with public relations. We called it
10 flanking, flanking his production with PK.

11 That meant preparing people for his activities;
12 sometimes assisting him with his production directly;
13 anything from management to photography to film scripts to
14 public surveys to writing promotions, writing dust jackets
15 for books, editing his books or any such. There is a long
16 list of different types of activities.

17 I also had as a duty to stay briefed on all of
18 his activities so that I could flank those either directly
19 or indirectly.

20 Q So as long as you were senior personal public
21 relations officer you had personal knowledge of what L. Ron
22 Hubbard was doing in connection with the management of
23 Scientology organizations?

24 A Yes.

25 Q Was there a secret story in connection with
26 whether he was managing Scientology organizations?

27 THE COURT: At what point in time, counsel?

28 MR. PAYTON: Let's take on board the ship first.

1 THE COURT: That is up to 1975 per the witness' previous
2 testimony. Okay.

3 Q BY MR. FLYNN: Up to 1975, Miss Sullivan.

4 A Yes. There was a shore story that he was
5 consultant for OTC. And as such, gave advice and directives
6 to officers of the corporation to carry out their duties.

1 Q And was there a public relations line to the
2 outside as to whether or not he was involved in the management
3 of Scientology organizations?

4 A Yes.

5 Q And what was that?

6 A That he was very much on the management lines;
7 that he was doing data evaluations; that he was in regular
8 communications with Scientology executives; that, in fact,
9 there were several pictures of him taken and posted with those
10 people to promote that.

11 Q This is to Scientologists?

12 A Yes.

13 Q Now when I say that was within the organization,
14 that was the public relations line?

15 A And to the public.

16 Q Now, with regard to government and officials
17 of various ports you went to, was there a public relations
18 line or shore story with respect to what he was doing?

19 A Yes.

20 Q And what was that?

21 A That was that he resigned from all directorships
22 in 1966. Had no direct contact with Scientology organizations
23 and often wrote books or engaged in his hobbies of photography,
24 and that was very much played down, his relationship, but
25 that he still retained his position as founder and, of course,
26 gave advice from time to time.

27 Q Was that latter public relations story true?

28 A No.

Q And how long did you remain senior personal
public relations officer from 1973 forward?

A All together about eight years.

Q And there were periods of time when you were
removed from that post?

A Yes. The longest removal for an eight month
period.

Q And when was that?

A That was in 1978 and through to '79.

Q And what happened then?

A I was sent to the RPF on the List 1 project.

Q What was the List 1 project?

A That was a culling of folders for List 1 rock
slams, the meter read and sec checking to determine if you
had a List 1 rock slam.

Q What was a List 1 rock slam?

A Well, it is an agitated motion on the E meter
which indicates that one has crimes against the subject which
is being discussed.

My particular List 1 rock slam was on myself,
which was later found to be not so, but --

Q Who were the subjects on List 1?

A LRH, MSH, Scientology, Orgs, the E meter,
preclears, auditors, Scientology-related subjects. I think
there were about 20 things on the list.

Q Now was this in the middle of the Department of
Justice investigation, if you know, that this project took
place?

13-2

1 and they by now were growing up and they were writing their
2 own programs which he would approve and issuing those to
3 management.

4 Q And during that period of time were there
5 programs or operations to prevent any process servers from
6 serving L. Ron Hubbard?

7 A Yes.

8 Q And what were those?

9 A They were essentially issued to my husband
10 at the time, Fred Rock, who was the port captain or the
11 PR person representing the Friends of Norton Karno, and we
12 did drills on the staff, how to handle subpoena service and
13 how to answer that he wasn't there and that sort of thing.

14 Q And, for example, did Mr. Hubbard have a
15 get-away car on the premises?

16 A Yes.

17 Q Now, in early 1976 do you recall the threat of
18 a governmental raid?

19 A Yes.

20 Q And what was that?

21 A Well there had been a raid and it seemed that
22 the Guardian's office had information from somewhere that
23 there was another raid imminent, and their concern was that
24 the Gilman Hot Springs property would be raided because at
25 that time our security on our location was getting to be
26 pretty well known, and what was going on there was getting
27 to be pretty well known, and so they suspected that a target
28 for an attack or a raid would be Gilman Hot Springs.

At that time as an Executive, I was dealing with other heads of the organizations at Gilman Hot Springs that that looked like it was going to occur and that we were going to go on kind of an all-hands alert to handle that situation.

Q And what was done to handle it?

A Well the major thing that was done was to get rid of extraneous material that might be taken in the shredding project.

Q And how massive a shredding project took place?

A Well, in the garage there was a lot of the line shredder that we used to call Jaws which was a massive machine that went 24 hours a day.

There were also tears which buried material under the floorboards and in the grounds of the property which is about a square mile, an ex-golf course, 27 hole golf course. So they were out digging and that sort of thing.

Q What types of material was buried?

A valuable documents that we didn't want to share but which were so sensitive that they couldn't be found or seen.

1. The following is a list of the names of the persons who were present at the meeting of the Board of Directors of the United States Steel Corporation, held on the 10th day of December, 1908, at the City of New York, New York.

A Yes.

What were they?

A They were a record of every order he ever gave

15-4

on the ship and the person's response to it on a 24-hour basis.

Q And the orders while he was a La Quinta and Gilman Hot Springs, et cetera?

A Yes.

Q And those Commodore Messenger orders reflected the control mechanism of L. Ron Hubbard throughout that period of time of Scientology organizations?

A Yes, in two ways, by substance and by pure volume.

Q What was the volume of it?

A Many ledgers, stacks of ledgers.

Q Approximately how many people were involved in the shredding process?

A Well, everyone on the property was involved, and at that time I believe there was about 180 people, but people who were engaged in the motor pool and grounds were, of course, didn't have very much material to go through, so they weren't involved for the entire time, maybe a couple of hours.

Q What were the ground rules or the criteria by which documents were selected to be shredded?

A Well, anything that indicated that L. Ron Hubbard controlled the church or was engaged in management was to be shredded.

Q Do you know why that was, Miss Sullivan?

A Yeah. It was so that if there was a record that no information about his control of the church would be

in the hands of the opposition.

Q And do you know whether that had to do with
increment issues and money issues as to who controlled
Scientology moneys?

MR. HARRIS: Objection; compound and leading.

THE COURT: Overruled.

Q BY MR. FLYNN: And incidentally at that time
were you familiar with the practice of the board of directors
giving undated letters of resignation?

A Yes.

Q And over how long of a period had you been
familiar with that practice?

A Since approximately 1974 on the ship. I knew
about OTC and I had heard comments about it earlier.

Q Do you know whether Kima Douglas was the
director of RRF, Religious Research Foundation?

A That has to do with --

THE COURT: All right then the privilege will be
sustained at this point.

Q BY MR. FLYNN: Now, Miss Sullivan, based on
your observations in the personal office of L. Ron Hubbard
between 1973 and 1980, did you observe as to whether there was
any corporate integrity to the various Scientology organizations?

A Well I did observe it, yes.

1 Q And what did you observe?

2 A I observed that there was basically none.

3 Q And had Mr. Hubbard issued a publication on
4 corporate integrity?

5 A Yes. And there were publications from the
6 Guardian's Office.

7 Q And were those essentially shore stories?

8 A Yes.

9 Q Did all organizations do whatever Mr. Hubbard
10 told them to do during the period of time that you were
11 involved?

12 MR. HARRIS: Now in the world, Your Honor, could she --

13 THE COURT: To the extent you have knowledge, you may
14 answer; to the extent you don't have knowledge you should
15 so state.

16 THE WITNESS: In my experience every person in every
17 organization made their best efforts to follow his
18 instructions to the letter.

19 There was, of course, dissension from time to
20 time and that person didn't usually last very long.

21 Q Now, I believe you -- did you give both criteria
22 that were used to determine what documents were going to be
23 shredded or just one criteria?

24 A I didn't give all of them.

25 Q What were the other criteria?

26 A Any evidence that LHM had been on that property
27 involvement in international affairs. From time to time
28 there were independent judgments made. Some of the things

1 that she believes she last saw you in 1977, I think it
2 was.

3 When did you last see Mary Sue Hubbard?

4 A Late May 1981.

5 Q And where did you see her?

6 A At the New Otani Hotel in Los Angeles.

7 Q And what were the circumstances under which you
8 saw her at that time, Miss Sullivan?

9 A I arranged a conference room for her and Mulligan
10 Henning Heldt, Dede Reisdorf, David Miscavige, Bill Franks
11 and possibly one other to discuss some disagreement over the
12 MCCS mission.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62

1 Q And who attended?

2 A Those people and possibly one other.

3 Q And at that time what was Bill Franks' position?

4 A Executive director international.

5 Q Theoretically, was he the highest official in

6 the Church of Scientology?

7 A Yes.

8 Q In fact was he?

9 A No; in fact, he sat with me in the lobby in the

10 last half of the thing while these other guys hashed it out.

11 Q The other guys being who?

12 A Mary Sue, Henning Heldt, Ann Mulligan, Diane

13 Riesedorf, David Miscavige, possibly Gale Irwin. That is

14 all I recall.

15 Q And they were hashing out aspects of MCCS?

16 A Yes.

17 Q Now, what was Henning Heldt's position at the

18 time?

19 A He was management liaison for the office of

20 Controller. And so communications to management were going

21 through him and to CMC and so on.

22 Q And in your experience were these people the

23 people who were running the organizations under L. Ron

24 Hubbard?

25 A Yes.

26 Q And David Miscavige was there; is that correct?

27 A Yes.

28 Q What was his position at that time?

1 A He was chief officer of the CMO.

2 Q Was it understood by the people present that he
3 was the communications link to L. Ron Hubbard at the time?

4 MR. HARRIS: Understood by this witness, Your Honor?

5 THE COURT: To the extent of your knowledge of the
6 subject, you may answer it.

7 MR. LITT: Your Honor, may I say that it appears that
8 Miss Sullivan herself did not attend this conference.

9 THE COURT: She was part of it. Apparently they were
10 outside when other things were happening.

11 The question is whether or not Mr. Miscavige was
12 the missing link.

13 MR. LITT: As the people at the meeting understood.
14 But it wasn't understood that she was at the meeting.

15 THE COURT: I got the impression that she was there
16 during part of it.

17 THE WITNESS: That is so.

18 THE COURT: To the extent that you have knowledge, what
19 was your knowledge on that subject?

20 THE WITNESS: About the link to L. Ron Hubbard?

21 THE COURT: Yes.

22 THE WITNESS: David Miscavige told me that there was
23 a line to him, but that it wasn't something that he could
24 originate and make sure that communication got to him, but
25 that if materials were called for, he could arrange for
26 materials to go to him and requested documents of me and
27 communications from me and even briefing reports from me so
28 that if in fact these things were called for, that they would

1 be ready to go.

2 And I did this a number of times.

3 Sometimes it appeared that there had been a
4 response because of authorization to plans. I didn't actually
5 see a response, but it seemed to me that confirmations were
6 received.

7 Q BY MR. FLYNN: Now, was there at that time a
8 reason why the location of L. Ron Hubbard, to your knowledge,
9 was being kept secret?

10 THE COURT: Assuming that this had nothing to do with
11 information that you acquired in this MCCS program. If it
12 involves that, then you tell us that it does and we won't
13 go any further.

14 THE WITNESS: There was one reason. And that was --
15 well, there were a number of reasons. Some of them involved
16 MCCS.

17 One of them was to avoid subpoena in a lawsuit.

18 Q BY MR. FLYNN: To your knowledge were there
19 lawsuits going on at the time in which Mr. Hubbard was the
20 defendant?

21 A Yes.

22 Q Do you receive communications from Mr. Hubbard
23 in 1980 or 1981?

24 A Yes, I did.

25 Q And this was after he had left and supposedly
26 gone into seclusion?

27 A Yes.

28 Q What communications did you receive?

1 THE COURT: I'll sustain the objection.

2 Q BY MR. PLYNN: Then you say, "right now it doesn't
3 affect what you are doing."

4 What does that mean?

5 A Well, what it meant was that Gerry was going
6 about his business, performing his duties and supplying Omar.
7 He was taking care of the documents. They were in
8 safekeeping. He kept excellent receipts. So if there was
9 ever to be any reimbursement for funds spent and then to sort
10 out that, this wouldn't be a problem. So he could just
11 carry on with his job and let the legal work catch up to
12 him.

13 Q And this legal was all ongoing to determine who
14 worked for who and where the monies were coming from and who
15 owned what; is that correct?

16 A Yes.

17 Q Then you say, "You are working for the CSC and
18 supported by SOR belonging to CSC."

19 What did that mean?

20 A Well, that is kind of a shore story.

21 What it means is that the money that Gerry was
22 getting was coming from the Church of Scientology of
23 California reserves.

24 Q Who controlled these reserves, to your
25 knowledge?

26 A A number of people had access to them.

27 L. Ron Hubbard had control.

28 Q Now, you say it was a shore story; was it a

1 shore story similar to the Friends of Horton Kaine shore
2 story?

3 A Well, in a sense. But there is also some
4 aspects to it that are part of MCCS.

5 It makes it difficult for me to answer.

6 Q What are those aspects?

7 MR. HARRIS: Well --

8 THE COURT: I'll sustain the objection.

9 MR. FLYNN: Your Honor, they introduced the exhibit.

10 THE COURT: Well, that is true. But I don't know that
11 that would necessary work a waiver of the whole kit and
12 kaboodle here.

13 Q BY MR. FLYNN: You say, ". . .when the new corps
14 get set up, you'll be paid by the new corp. But very likely
15 will receive your project funds by CSC."

16 What does that mean?

17 A Well, CSC had a responsibility to supply and
18 cooperate with the biography project and so that they would
19 do so, as the new corporation ASI would get set up or some
20 similar named corporation.

21 Q ASI being Author Services Inc.?

22 A Yes.

23 Q The management company for L. Ron Hubbard?

24 MR. HARRIS: Objection, Your Honor.

25 THE COURT: You don't have to keep repeating things.

26 I'll sustain the objection.

27 THE WITNESS: That it was evidence to me that is where
28 Gerry would go. But in the meantime, that is where he got

INDEX FOR VOLUME 20

Pages 3390 - 3586, incl.

DAY	DATE		PAGE
Tuesday	May 28, 1984	A.M.	3390
		P.M.	3494

WITNESSES

<u>DEFENSE:</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
SULLIVAN, Laurel				
(Resumed)			3392	3400-H
(Further)			3412	3419-L
(Further)			3420	
SPURLOCK, Lyman	3429	3477-H	3507	
DINCALCI, Nancy	3530	3537-L	3563	3567-L
		3552-H	3572	3568-H
WALTERS, Edward.	3580			

EXHIBITS

<u>PLAINTIFF'S:</u>	<u>FOR IDENTIFICATION</u>
84 - Document "Seven Division Org Board"	3482
85 - Document "Church of Scientology Ecclesiastical Structure"	3486
86 - Document Confidentiality of PC Folder Data	3495
87 - Document "The Bridge"	3495
<u>DEFENSE:</u>	
AAAA - Not described on the record	3393
BBBB - Not described on the record	3393
CCCC - Photograph	3396
DDDD - 2 documents "Re Biography Contract Negotiations" 10-23-80	3416
EEEE - Not described on the record	3467
FFFF - Not described on the record	3515

2-11

1 THE WITNESS: Your Honor, could we have the question --

2 THE COURT: Read the question, please.

3 THE REPORTER: The question was taken by the other
4 reporter, Your Honor.

5 THE COURT: The question was was David Miscavige the
6 communications link between Author Services and LRH.

7 THE WITNESS: Sometimes yes and sometimes no. It is
8 not -- no. The --

9 If your question means is he the absolute
10 communications link between L. Ron Hubbard and Author
11 Services, the answer is no.

12 MR. FLYNN: That was not the question.

13 THE COURT: Then I misstated it.

14 Q BY MR. FLYNN: Between February, 1980 and the
15 present time has he been the communications link between
16 L. Ron Hubbard and Author Services Inc.?

17 MR. HARRIS: I'll object to that as irrelevant and
18 calling for a conclusion.

19 THE COURT: Well, when did Author Services Inc. come
20 into existence? He could have been the communicator before
21 that time.

22 MR. FLYNN: I'll withdraw it and back up a little bit,
23 Your Honor.

24 Q Before you were the Deputy Executive Director
25 for Author Services Inc. what was your position in that
26 organization if any, Mr. Spurlock?

27 A Corporate Affairs Director.

28 Q And when did you take on that post?

Z-2

1 A In March of 1982.

2 Q And when did you take on the post of Deputy
3 Executive Director?

4 MR. LITT: Objection. Asked and answered.

5 Q BY MR. FLYNN: That is February, 1983; is that
6 correct?

7 A Correct.

8 Q Do you know when Author Services Inc. was
9 incorporated?

10 A I believe it was somewhere around October, 1981.

11 Q Did you play any role in the incorporation of
12 that organization?

13 A No, I didn't.

14 Q Do you know who the incorporators were?

15 A I believe it was Ron Pook.

16 Q Was he the only incorporator?

17 A I don't know.

18 Q Is he currently with the organization?

19 A No.

20 Q Do you know who the present Board of Directors
21 of the organization are?

22 A Yes.

23 Q Who?

24 A Norman Starky; Fran Harris; John Alcock.

25 Q Have you ever been a member of the Board of
26 Directors of Author Services Inc.?

27 A No.

28 Q Do you know whether or not those individuals have

1 signed undated letters of resignation?

2 MR. HARRIS: It is irrelevant, Your Honor. Object.

3 THE COURT: I'll sustain the objection.

4 Q BY MR. FLYNN: Prior to March, 1982 what was your

5 position, Mr. Spurlock?

6 A Immediately prior? Way prior? Do you mean --

7 Q Within the prior year.

8 A Within the prior year I worked for Church of

9 Scientology of California.

10 Q In what position?

11 A Investment Officer International.

12 Q What were your duties in that position?

13 A I had a variety of duties.

14 I was basically an assistant to WDC on investments

15 and financial matters.

16 Q Did you basically invest the church's monies?

17 MR. HARRIS: Church of Scientology of California

18 monies?

19 Q BY MR. FLYNN: Church of Scientology of California;

20 is that what you did?

21 A I didn't do it personally.

22 Q You advised as to investments of the Church of

23 Scientology of California's monies; is that correct?

24 A That would be a fair statement.

25 Q Were those called "Sea Org Reserves"?

26 A Yes.

27 Q And how long did you hold that position?

28 A From about April, 1979 to November 1981.

1 Q In November, 1981 what position did you hold
2 after Investment Officer International of CSC?

3 A I went to work for R accounts or LRH through
4 R accounts to assist in some estate planning matters. There
5 was no formal title.

6 THE COURT: Is this Author Services now a profit
7 corporation or nonprofit corporation?

8 THE WITNESS: It is a profit corporation.

9 THE COURT: Who were the shareholders if you know?

10 THE WITNESS: The employees. I don't know the exact
11 breakdown.

12 THE COURT: What employees?

13 THE WITNESS: Pardon me?

14 THE COURT: What employees?

15 THE WITNESS: Of Author Services.

16 THE COURT: Does that include you?

17 THE WITNESS: Yes.

18 THE COURT: How many employees does the company have?

19 THE WITNESS: 24, 25.

20 THE COURT: They are each shareholders?

21 THE WITNESS: No.

22 THE COURT: How many employees are shareholders?

23 THE WITNESS: I really don't know.

24 THE COURT: Is LRH a shareholder?

25 THE WITNESS: No.

26 THE COURT: Does anybody hold shares in his behalf to
27 your knowledge?

28 THE WITNESS: No.

1 THE COURT: How about Mary Sue; is she a shareholder?
2 THE WITNESS: No.
3 THE COURT: Does anybody hold shares in her behalf,
4 if you know?
5 THE WITNESS: No.
6 THE COURT: Any trust that holds the shares?
7 THE WITNESS: No.
8 THE COURT: You may continue, counsel.
9 Q BY MR. FLYNN: There is no trust, Mr. Spurlock,
10 that holds any shares on behalf of L. Ron Hubbard; is that
11 your testimony?
12 A That is right.
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT C

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

TONJA BURDEN,
Plaintiff

v.

CHURCH OF SCIENTOLOGY
OF CALIFORNIA,
Defendants

CASE NO. 80-501-Civ-T-E

SUPPLEMENTAL AFFIDAVIT OF GERRY ARMSTRONG

I, Gerry Armstrong, hereby depose under pains and
~~penalties of perjury as follows:~~

1) I have personal knowledge of policies of the Church of Scientology relating to the following facts, or I have had possession of documents and tapes relating to the following facts:

2) On or about September 28, 1980, a meeting took place in the Cedars Complex at Los Angeles, California, one of the corporate headquarters of the Church of Scientology of California, (CSC). The meeting was attended by Charles Parselle, (C.P.), Deputy Guardian for Legal, (DGL), at NW, who was in charge of all legal activities for Scientology

throughout the world and Laurel Sullivan, (L.S.), the personal representative of L. Ron Hubbard, a long term senior executive of Scientology and then In Charge, I/C, of a special legal Mission, (MCCS), which mission was seeking to conceal Hubbard's control of Scientology and develop strategies to effectuate actual control by Mr. Hubbard without incurring legal responsibility. Dick Sullivan, a junior executive of the MCCS mission, pursuant to orders, tape recorded the meeting. The individuals in attendance at this meeting are knowledgeable of the fact that Mr. Hubbard has always controlled all aspects of CSC including its bank accounts, policies, etc.

3) At the meeting, the following exchange took place relating to the corporate structure of the Organization and Mr. Hubbard's position in the structure. This exchange was tape recorded with the knowledge and assent of all present:

L.S. "There is no need for them to be the actual Board of Directors.

C.P. There's no need at all for them to be the Board of Directors in order for them to run the Church, but the authority of the Church has to lie somewhere, and on some basis. And since the Church has always chosen a corporate entity, eventually the authority is going to have to vest with the Board of Directors. The only reason it's worked so long without that occurring is because is because everyone has effectively been bound by the authority of LRH and have ignored corporate lines." (Emphasis supplied)

4) It was common knowledge among senior executives of CSC that Mr. Hubbard had absolute control of all large corporate bank accounts and that he, alone, had the authority to order withdrawal of very large amounts from these accounts. He controlled these accounts through various people, mainly CMO members. Neither the "Directors" of CSC nor any other CSC executives had such authority or control. This policy was practiced throughout the period of at least 1970 to when I left the Organization in December, 1981.

5) Mr. Hubbard received millions of dollars through a dummy corporation (R.R.P.), specifically set up to funnel money to him which should have been paid to CSC by foreign customers paying for "Flag" services. "Flag" is part of CSC. At a strategy meeting on September 29, 1980, held by several high ranking senior executives of the Church, the purpose of which was to develop legal strategies to shield Mr. Hubbard but funnel corporate money to him, the following exchange took place. This exchange was tape recorded with the knowledge of all present. The following people were some of those present:

a. Charles Parselle, Deputy Guardian
Legal World Wide, (CP)

b. Alan Wertheimer, attorney for L. Ron
Hubbard working with Laurel Sullivan and
the MCCS Mission, (AW)

c. Laurel Sullivan, L. Ron Hubbard's
Personal Representative and I/C of MCCS,
(LS)

d. Dick Sullivan, husband of Laurel Sullivan and a junior executive on the MCCS Mission, (DS)

The exchange was as follows:

CP: "Right. That's a very helpful exercise. And also I may say this, that it is very very helpful for LRH to have his own attorneys, i.e. yourselves, because for many years we have been missing this essential service and we have done this exercise of trying to think of the way it would be on the one side and trying to think of the way it would be on the other side and it really doesn't work very well to do that. It doesn't work to represent both parties at the same time. Especially if you also happen to be a Scientologist and involved in that particular way as well. So, I'm with relief representing the Church interest and I certainly invite you to represent Ron's interest as much as you can. I say that RRF, which is as far as I am concerned part of the Church, made a mistake when it paid over that 2.1 million. RRF had nothing... We could say that RRF and the Church are part of the same Church, even though they are corporately different. I mean if anything was a sham corporation, it's RRF.

AW: "As I understand it, RRF receives monies that would otherwise be due the California Church for services rendered by the California Church to people outside of the country who decide to pay the Church from outside the country.

CP: "That's right.

AW: "So that's basically right?

CP: "That's right. Foreign - non-US Scientologists who wish to pay for Flag services pay RRF and then go to Flag and take the services. RRF was originally supposed to hold the money until the service was rendered and then pay it to CSC. But in fact, it has not really done that and so CSC has rendered much service to many foreign Scientologists and RRF has got the money. Fortunately for us,

RRP wasn't incorporated until 1973 and we are now litigating 1972. So, I haven't really tried to sort this one out but it obviously is the classic case (loud laugh) of inurement, if not fraud.

(Several laughs.)

LS: "Well, put-

Speaker Unidentified: "It's all privileged.

DS: "The tape recorder is going here, Charles.

CP: "However, as you can see, our financial direction is really weighted to this solution and it is an ongoing battle which I will eventually win because I am the one who has to litigate the case next year and we obviously have to handle RRP. The way we will probably handle it is by simply saying it is part of the same Church, in fact. Now that, of course, goes directly contrary to what you're doing which is to split LRH off from the Church and to talk about the corporate integrity of the different Churches. Unfortunately, the churches do not have any corporate integrity. And our efforts to give them corporate integrity have not hitherto been successful. Now when you talk around a table like this and there is no Internal Revenue agent present, (whispered: I hope so), bugged or otherwise, one can work out solutions. But when you are a few weeks away from a trial and everything you say is going to be rammed down your throat, then you have to start looking at what actually happened. And it's very difficult to assign significances to things other than what was actually being done at the time. We are trying to say for example that Flag in 1970 is a part of California Church which is probably true but there is no documentation to say that and the truth of the matter is that Marty Greenburg, the accountant, decided to include Flag's accounts in California accounts some years later for convenience. So the decision, what is - the IRS can say and are in fact alleging that Flag in those years, 1970 to 1972,

was an unincorporated association to which CSC's income inured on a grand scale. We cannot point to a document which says, "Actually Flag was part of CSC during the years of question" because it doesn't exist because no one really thought of it. So, we have to have a different theory of the case which is going to account for all facts and omitted facts which do exist.

Speaker Unidentified: "Is this the why of efforts to create corporate integrity in 1980?"

6) It is common knowledge among senior executives of the Organization and it is the policy of CSC that Members of the Boards of Directors of the various Scientology corporations are mere figureheads, without authority or control, not for internal corporate reasons, but rather to vest control in Mr. Hubbard. I have personal knowledge that in order to carry out this corporate fraud, Organization executives have engaged in various unethical practices including backdating phony Board Minutes and forging signatures.

State of California

COUNTY OF

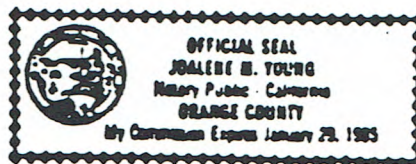
Orange

On August 11, 1982
before me, the undersigned, a Notary Public in and for said State, personally appeared

Terry Armstrong known to me,

to be the person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



Jodelene M. Young
Notary Public in and for said State.

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the county of Los Angeles, State of
4 California. I am over the age of 18 and not a party to the within
5 action; my business address is 2029 Century Park East, Suite 3270,
Los Angeles, California 90067.

6 On May 28, 1992, I served the foregoing document described as
7 **SUPPORTING DECLARATION OF GERRY ARMSTRONG TO DEFENDANTS' AND**
8 **COUNTER-CLAIMANTS' OPPOSITION TO PLAINTIFFS AND COUNTER-**
9 **DEFENDANTS' MOTION FOR PROTECTIVE ORDER RE FIFTH REQUEST FOR**
10 **PRODUCTION OF DOCUMENTS OR THINGS AND FOR SANCTIONS** by placing a
true copy thereof enclosed in sealed envelopes addressed as
follows:

11 [SEE ATTACHED SERVICE LIST]

12 [X] BY MAIL - I deposited such envelope in the mail at Los
13 Angeles, California. The envelope was mailed with postage thereon
14 fully prepaid as follows: I am readily familiar with firm's
15 practice of collection and processing correspondence for mailing.
16 Under the practice it would be deposited with U.S postal service
on the same day with postage thereon fully prepaid at Los Angeles,
17 California in the ordinary cause of business. I am aware that on
motion of the party served, service is presumed invalid if postal
cancellation date or postage meter date is more than one day after
date of deposit for mailing in affidavit.

18 [X] BY PERSONAL SERVICE - I caused such an envelop to be hand
19 delivered by hand to the office of the addressee. *NOTE SERVICE
LIST.

20 [] [State] I declare under the penalty of perjury under the
21 laws of the State of California that the above is true and
correct.

22 [X] [Federal] I declare that I am in the office of a member of the
23 bar of this court at whose direction the service was made.

24 Executed on May 28, 1992, at Los Angeles, California.

25 Yolanda Dennison
26 Type or Print Name

Yolanda Dennison
Signature

SERVICE LIST

Steven Bisbey
Morag Bellmaine
ADVANCED ABILITY CENTER
East Grinstead
52 West Hill
East Grinstead, West Sussex
Kent, England, UK

Lawrence E. Heller, Esq.
TURNER, GERSTENFELD, WILK,
TIGERMAN & HELLER
8383 Wilshire Boulevard
Suite 510
Beverly Hills, CA 90211

Robin Scott
Adrienne Scott
ADVANCED ABILITY CENTER CANDACRAIG
7 Thornhill Park, Sunderland,
Tyne & Wear, SRZ 7JZ
England, UK

VIA HAND DELIVERY
The Honorable James Kolts
1715 E. Altadena Drive
Altadena, CA 91001

William T. Drescher, Esq.
2049 Calabasas Road
Suite 338
Calabasas, CA 91302

VIA HAND DELIVERY
Kendrick L. Moxon, Esq.
BOWLES & MOXON
6255 Sunset Boulevard, Suite 200
Hollywood, California 90028

Gary M. Bright, Esq.
BRIGHT & POWELL
5464 Carpinteria Avenue, Suite E
Carpinteria, California 93013

Earle C. Cooley, Esq.
COOLEY, MANION, MOORE & JONES
21 Custom House Street
Boston, Massachusetts 02210

Ron Lawley
36 St. James Road
East Grinstead, West Sussex
Kent, England, UK